SAMMONTANA FINANZIARIA S.R.L.

ORGANIZATION, MANAGEMENT AND CONTROL MODEL

Law Decree n. 231 of June 8th, 2001

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1.1. THE ADMINISTRATIVE LIABILITY OF ENTITIES

Law Decree n. 231 of June 8th, 2001 pertaining to the "*Provisions on the Administrative liability of legal entities, companies and associations, even if not vested with legal status*" (hereinafter also referred to as "**L.D. 231/2001**" or just the "**Decree**"), which came into force on July 4th to implement Article 11 of Enabling Law n. 300 of September 29th, 2000, introduced in the Italian legal system, in compliance with EU law, a scheme of administrative liability for entities, where "entities" means commercial companies, corporations, partnerships and associations, including those not vested with legal status.

This new form of liability, defined as "administrative" by the legislator, actually implies many of the characteristics of criminal liability. As a matter of fact it is up to the competent criminal court to ascertain the offences under its scope and the same guarantees that are envisaged for a natural person under investigation or a defendant in criminal proceedings are also granted to the entity,

Entities will incur into an administrative liability in case that a predicate offence, as expressly indicated in Law Decree n. 231/2001, is committed in the interest or to the benefit of the entity itself by natural persons who hold positions of representation, administration or management of the entity or of one of its organizational units with financial and functional autonomy or who exercise, even *de facto*, management and control functions (so-called "*senior executives*") or are subject to the direction and supervision of one of the above mentioned persons (so-called "*subordinates*").

In addition to the above-mentioned requirements, Law Decree 231/2001 also provides for the entity's fault to be to ascertained in order for it to be considered liable. This requirement implies the concept of "organizational fault", meaning that the entity has failed to take appropriate preventive measures to prevent the individuals identified in the Decree to commit the crimes enumerated in the following paragraph.

To the extent to which the entity can provide proof of having adopted and effectively implemented an organizational structure that is designed to prevent these crimes from being committed through the adoption of an organization, management and control Model as envisaged by Law decree 231/2001, the entity itself will not be held liable from an administrative point of view.

The scope of application of the Decree is very broad and extends to all entities with a legal status, companies, associations (including unincorporated ones), economic public bodies, private agencies in charge of a public service. The Decree does not apply to the State, to public local bodies, non-economic public bodies, entities which carry out constitutional functions (such as, for example, political parties and trade unions).

The prerequisites for applying the regulation at issue can be summarized as follows:

a) the entity falls within the scope of application of the Decree;

b) one of the offences listed in the Decree is committed in the interest or to the benefit of the entity;

c) the person who committed the offence is an individual holding a senior executive or a subordinate position within the entity;

d) the entity has not adopted or implemented an appropriate organizational model to prevent offences or crimes of the type that has been committed;

e) the entity has not designated a specific body entrusted with autonomous initiative and control powers (or the latter has exercised insufficient oversight) and a person holding a senior executive position has negligently failed to comply with the prevention model adopted by the entity.

In the event that a crime is committed by a person in a subordinate position, the existence of each of the above pre-conditions is subject to a specific burden of proof, the fulfilment of which is born by the Public Prosecutor; on the other hand, when the offence is committed by a senior manager, the occurrence of each of the conditions set out in points d) and e) is subject to a simple presumption of guilt *(juris tantum)*, without prejudice to the entity's faculty to provide proof to the contrary (so-called reversal of the burden of proof).

1.2. THE CRIMES WITHIN THE SCOPE OF THE DECREE

The crimes capable of triggering an administrative liability of the entity are those expressly and strictly provided for by Law Decree n. 231/2001, as subsequently amended and integrated.

The following is a list of the offences which currently fall within the scope of Law Decree n. 231/2001. New offences are expected to be added in the near future.

1. **Crimes against the Public Administration** (Article 24 and 25 of the Decree):
   - Misappropriation (when the act violates the interests of the European Union) (art. 314, first paragraph, Italian Criminal Code);
   - Misappropriation by profiting from the errors of others (when the act violates the interests of the European Union) (art. 316 of the Italian Criminal Code);
   - Misappropriation of public funds (art. 316 bis of the Italian Criminal Code);
   - Unlawful receipt of public funds (art. 316 ter of the Italian Criminal Code);
   - Aggravated fraud to the detriment of the State or another public body or the European Communities (Article 640, par. 2, no. 1, Italian Criminal Code);
   - Aggravated false pretences to obtain public funds (Art. 640-*bis* Italian Criminal Code);
   - Computer fraud to the detriment of the State or another public body (art. 640-*ter* Italian Criminal Code);
   - Malfeasance in office (art. 317 Italian Criminal Code);
   - Taking bribes to perform official duties (art. 318 Italian Criminal Code);
   - Taking bribes to perform actions contrary to official duties (art. 319 Italian Criminal Code);
   - Aggravating circumstances (art. 319-*bis* Italian Criminal Code);
   - Bribery in judicial proceedings (art. 319-*ter* Italian Criminal Code);
   - Improperly inducing [a person] to give or to promise to give anything of value (art. 319-*quater* Italian Criminal Code);
   - Bribery of a person in charge of a public service (art. 320 Italian Criminal Code);
   - Sanctions for the corruptor (art. 321 Italian Criminal Code)
   - Incitement to bribery (art. 322 Italian Criminal Code);
   - Misappropriation, malfeasance in public office, improperly inducing [a person] to give or to promise to give anything of value, bribery and incitement to bribery of members of international Courts or European Community bodies or international parliamentary assemblies or international organisations and of officials of the European Communities and of foreign States (322-bis of the Italian Criminal Code);
   - Abuse of office (when the act violates the interests of the European Union) (Art. 323 of the Italian Criminal Code);
   - Influence peddling (art. 346-*bis* Italian Criminal Code);
   - Fraud in public supplies (art. 356 Italian Criminal Code);
   - Urgent measures regarding the monitoring of community aids to olive oil production (art. 2 of Law n. 898 of December 23rd, 1986).
   - Bid rigging (art. 353 of the Italian Criminal Code)
   - Interference with the tender process (art. 353 – bis of the Italian Criminal Code

2. **Cyber crimes and unlawful data processing** (art. 24-*bis* of the Decree):
   - Forgery of an electronic public document or a document having evidentiary effect (art. 491-

bis of the Italian Criminal Code);

- Unauthorized access to an IT or electronic system (art. 615-*ter* of the Italian Criminal Code);
- Illegal possession and circulation of access codes to computer or electronic systems (art. 615 quater of the Italian Criminal Code);
- Circulation of equipment, devices or IT programmes aimed at damaging or interrupting a computer or electronic system (art. 615-*quinquies* of the Italian Criminal Code.);
- Unlawful wiretapping, blocking or disrupting computer or electronic communication (art. 617-*quater* of the Italian Criminal Code);
- installation of equipment to wiretap, block or disrupt computer or electronic communication (art. 617-*quinquies* of the Italian Criminal Code);
- Harm to computer information, data and programmes (art. 635-*bis* of the Italian Criminal Code);
- Harm to computer information, data and programmes used by the Government or another Public Entity or otherwise related to a public service (art. 635-*ter* of the Italian Criminal Code);
- Harm to computer and electronic systems (art. 635-*quater* of the Italian Criminal Code);
- Harm to computer and electronic systems of public benefit (art. 635-*quinquies* of the Italian Criminal Code);
- Computer fraud on the part of an electronic signature certifier (art. 640-*quinquies* of the Italian Criminal Code);
- Violation of rules concerning the National Cyber Security Perimeter (art. 1, par. 11, Law Decree n. 105 of September 21st, 2019).

3. **Organized Crime** (art. 24 *ter* of the Decree):
   - Criminal conspiracy (art. 416 of the Italian Criminal Code);
   - Mafia-type criminal conspiracy, also with foreign connections (art. 416-*bis* of the Italian Criminal Code);
   - Political/mafia vote buying (art. 416-*ter* of the Italian Criminal Code);
   - Kidnapping for purposes of extorsion (art. 630 of the Italian Criminal Code);
   - Criminal conspiracy aimed at the illicit trafficking of narcotics or psychotropic substances (art. 74, D.P.R. (Presidential Decree) n. 309 of October 9th, 1990);
   - Illegal fabrication, smuggling into the territory of the State, marketing, sale, possession and unauthorized carrying in public spaces or in spaces open to the public of war or war-like weapons or parts thereof, explosives, unregistered weapons and common firearms, except those excluded by the provisions of Article 2, paragraph 3, of Law n. 110 of April 18th, 1975, (art. 407, paragraph 2, letter a), number 5), of the Code of Criminal Procedure);
   - All crimes committed under the conditions provided for by Article 416-bis to aid and abet the activity of the associations identified in the same Article (Law n. 203/91).

4. **Counterfeiting money, legal tender (*carte di pubblico credito*) and revenue stamps**

(art. 25 *bis* of the Decree):

- Counterfeiting money, circulating counterfeit money and complicit introduction of counterfeit money into the national domain (art. 453 of the Italian Criminal Code);
- Alteration of currency (art. 454 of the Italian Criminal Code);
- Circulation and non-complicit introduction of counterfeit money into the national domain (art. 455 of the Italian Criminal Code);
- Spending of counterfeit money received in good faith (art. 457 of the Italian Criminal Code);
- Counterfeiting revenue stamps, introduction into the national domain, purchase, possession or circulation of counterfeit revenue stamps (art. 459 of the Italian Criminal Code);
- Counterfeiting watermark paper used to produce legal tender or revenue stamps (art. 460 of the Italian Criminal Code);
- Manufacture or possession of watermarks or equipment intended to produce counterfeit currency, revenue stamps or watermarked paper (art. 461 of the Italian Criminal Code);
- Use of counterfeit or altered revenue stamps (art. 464 of the Italian Criminal Code);
- Counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and drawings (art. 473 of the Italian Criminal Code);
- Introduction into the national domain and trading in products with counterfeit trademarks (art. 474 of the Italian Criminal Code).

5. **Crimes to the detriment of industry and trade** (art. 25 bis.1 of the Decree):
   - Disruption to industry or trade (art. 513 of the Italian Criminal Code);
   - Unlawful competition entailing threats and duress (art. 513-*bis* of the Italian Criminal Code);
   - Fraud against national industries (art. 514 of the Italian Criminal Code);
   - Fraud in the exercise of trade (art. 515 of the Italian Criminal Code);
   - Sale of non-genuine foodstuffs as genuine (art. 516 of the Italian Criminal Code);
   - Sale of industrial products with counterfeit marks (art. 517 of the Italian Criminal Code);
   - Manufacture and trade of goods produced by mis-appropriating industrial property titles (art. 517-*ter* of the Italian Criminal Code);
   - Falsifying the geographic origin or designation of origin of agro-food products (art. 517-*quater* of the Italian Criminal Code).

6. **Corporate offences** (art. 25 ter of the Decree):
   - False corporate reporting (art. 2621 of the Italian Civil Code);
   - Facts of minor concern (art. 2621-*bis* of the Italian Civil Code);
   - False corporate reporting by listed companies (art. 2622 of the Italian Civil Code);
   - Impaired control (art. 2625, par. 2, of the Italian Civil Code);
   - Improper repayment of capital contributions (art. 2626 of the Italian Civil Code);
   - Unlawful distribution of profits and reserves (art. 2627 of the Italian Civil Code);
   - Unlawful transactions involving the shares or quotas of the company or its parent company (art. 2628 of the Italian Civil Code);
   - Transactions to the detriment of creditors (art. 2629 of the Italian Civil code);

- Failure to disclose a conflict of interest (art. 2629-*bis* of the Italian Civil code);
- Fictitious capital creation (art. 2632 of the Civil code);
- Improper distribution of corporate assets by liquidators (art. 2633 of the Civil code);
- Bribery between private parties (art. 2635, par. 3, of the Italian Civil code);
- Incitement to bribery between private parties (art. 2635-*bis* of the Italian Civil Code);
- Undue influence on shareholders' meetings (art. 2636 of the Italian Civil Code);
- Stock manipulation (art. 2637 of the Italian Civil Code);
- Obstructing supervisory authorities in the exercise of their functions (art. 2638, paragraphs 1 and 2, of the Italian Civil Code).
- False or missing statements for the release of the preliminary certificate (art. 54 of Law Decree n. 19/2023).

7. **Crimes related to terrorism and subversion of democratic order** (art. 25 quater of the Decree):
   - Subversive associations (art. 270 of the Italian Criminal Code);
   - Associations connected with terrorism, including at international level, and subversion of democratic order (art. 270-*bis* of the Italian Criminal Code);
   - Aiding and abetting of association members (art. 270-*ter* of the Italian Criminal Code);
   - Recruitment with the purpose of domestic or international terrorism (art. 270-*quater* of the Italian Criminal Code);
   - Training activities for the purpose of domestic or international terrorism (art. 270-*quinquies* of the Italian Criminal Code);
   - Financing of terrorist actions (art. 270-*quinquies*.1 of the Italian Criminal Code);
   - Misappropriation of assets or money subject to forfeiture (art. 270-*quinquies*.2 of the Italian Criminal Code);
   - Conduct intended to provoke a state of terror (art. 270-*sexies* of the Italian Criminal Code.);
   - Attacks for the purpose of terrorism or subversion (art. 280 of the Italian Criminal Code);
   - Acts of terrorism with lethal or explosive weapons (art. 280-*bis* of the Italian Criminal Code);
   - Act of nuclear terrorism (art. 280-*ter* of the Italian Criminal Code);
   - Kidnapping for the purpose of terrorism or subversion (art. 289-*bis* of the Italian Criminal Code);
   - Instigation to commit any of the crimes enumerated in chapters 1 and 2 (art. 302 of the Italian Criminal Code);
   - Urgent measures for the protection of democratic order and public security (art. 1, Law Decree n. 625 of Dec. 15, 1979, converted with amendments into Law n. 15 of Feb. 6th, 1980);
   - International Convention for the suppression of the financing of terrorism, New York Dec. 9th, 1999 (art. 2).

8. **Practice of female genital mutilation** (art. 25 quater 1 of the Decree):
   - Practice of female genital mutilation (art. 583-*bis* of the Italian Criminal Code).

9. **Offences against the individual** (art. 25 quinquies of the Decree):
   - Enslaving or keeping people in a state of slavery or subjection (art. 600 of the Italian Criminal Code);
   - Child prostitution (art. 600-*bis*, paragraphs 1 and 2, of the Italian Criminal Code);
   - Child pornography (art. 600-*ter* of the Italian Criminal Code);
   - Possession of pornographic material (art. 600-*quater* of the Italian Criminal Code);
   - Virtual pornography (art. 600-*quater*.1 of the Italian Criminal Code);
   - Tourism to exploit child prostitution (art. 600-*quinquies* of the Italian Criminal Code);
   - Human trafficking (art. 601 of the Italian Criminal Code);
   - Purchase and sale of slaves (art. 602 of the Italian Criminal Code);
   - Unlawful workforce intermediation and labour exploitation (art. 603-*bis* of the Italian Criminal Code);
   - Solicitation of minors (art. 609 undecies of the Italian Criminal Code).

10. **Offences of insider dealing and market manipulation** (art. 25 sexies of the Decree):
   - Misuse of privileged/inside information (art. 184 of Law Decree n. 58/1998);
   - Market manipulation (art. 185 of Law Decree n. 58/1998).

11. **Other offences concerning market abuse** (Art. 187-quinquies TUF):
   - Prohibition of insider dealing and of unlawful disclosure of inside information (art. 187-*quinquies* TUF - art. 14 Reg. EU n. 596/2014);
   - Prohibition of market manipulation (art. 187-*quinquies* TUF - art. 15 Reg. EU n. 596/2014).

12. **Cross-border offences** (Law 146/2006)
   - Criminal conspiracy (art. 416 of the Italian Criminal Code);
   - Mafia-type association (art. 416-*bis* of the Italian Criminal Code)
   - Criminal conspiracy to smuggle foreign processed tobacco (Presidential Decree n. 43/1973, art. 291-*quater*);
   - Criminal conspiracy for illegal trafficking of narcotics or psychotropic substances (Pres. Decree n. 309/1990, art. 74);
   - Legal provisions against illegal immigration (Law Decree n. 286/1998 art. 12);
   - Solicitation not to provide statements or to provide mendacious statements before judicial authorities (art. 377-*bis* of the Italian Criminal Code);
   - Personal aiding and abetting (art. 378 of the Italian Criminal Code).

13. **Culpable offences committed in breach of the rules on accident prevention and protection of workplace hygiene and health** (art. 25 septies of the Decree):
   - Involuntary manslaughter (art. 589 of the Italian Criminal Code);
   - Involuntary grievous or very grievous bodily harm (art. 590 of the Italian Criminal Code).

14. **Handling stolen goods, money-laundering and use of money, goods or other items of value of illegal origin as well as self-laundering** (art. 25 octies of the Decree):
   - Handling stolen goods (art. 648 of the Italian Criminal Code);
   - Money laundering (art. 648-bis of the Italian Criminal Code);

- Use of money, goods or other items of value of illegal origin (art. 648-*ter* of the Italian Criminal Code);
- Self-laundering (art. 648-*ter*.1 of the Italian Criminal Code).

15. **Offences relating to non-cash payment instruments** (art. 25-octies.1 of the Decree):
    - Misuse and falsification of non-cash payment instruments (art. 493-*ter* of the Italian Criminal Code);
    - Possession and circulation of computer equipment, devices or programmes designed to commit offences involving non-cash payment instruments (art. 493-*quater* of the Italian Criminal Code);
    - Computer fraud with the aggravated circumstance of having executed a transfer of money, monetary values or virtual currency (art. 640-*ter*, par. 2, Italian Criminal Code);
    - any other offence against public faith, property or otherwise detrimental to property envisaged by the criminal code, in case it concerns non-cash payment instruments (except when the violation involves an administrative liability for which a more serious sanction is envisaged).
    - Fraudulent transfer of values (art. 512 - bis of the Italian Criminal Code).
16. **Copyright infringement offences** (art. 25 novies of the Decree):
    - Placing of intellectual work - or parts thereof - protected by copyright on telecommunication networks available to the public by means of connections of any type (art. 171, first paragraph, letter a) *bis* of Law n. 633/41);
    - Offences of the kind referred to above that involve third parties' works not intended for publication in case it brings offence to their honour or reputation (art. 171, third paragraph, Law n. 633/41);
    - Unauthorized duplication, for profit-making purposes, of computer programmes; importing, distributing, selling, holding for commercial or entrepreneurial purposes or leasing of programmes contained in media formats that do not bear the SIAE mark (*Italian Authority of Authors and Publishers*); arranging of means to remove or avoid devices aimed at protecting computer programmes (art. 171-*bis*, first paragraph, Law n. 633/41);
    - Reproducing, transferring to another type of format, distributing, communicating, presenting or demonstrating in public the content of a database; extracting or reusing of a database; distributing, selling or leasing of a database (art. 171-*bis*, second paragraph, Law n. 633/41);
    - Unauthorized duplication, reproduction, transmission or public dissemination by means of any procedure, of intellectual work, or parts thereof, intended for television or cinema distribution as well as for sale or rental, of disks, tapes or similar media or any other media containing audio clips or video clips of music, film or similar audio-visual works or sequences of moving images; literary, dramatic, scientific or educational works, musical or musical drama works or multimedia works, even if they are part of collective works or databases; unauthorized reproduction, duplication, transmission or circulation, unauthorized sale, disposal or import of over 50 copies or duplicates of works protected by copyright or other related rights; placing on a telecommunication system, by means of any type of

connections, of intellectual works, or parts thereof, protected by copyright (art. 171-*ter*, Law n. 633/41);

- Failure to communicate to SIAE the identification data of media for which the SIAE mark is not required or false declaration (art. 171-*septies*, Law n. 633/41);
- Fraudulent production, sale, import, promotion, installation, modification, utilization for public or personal use, of devices for unscrambling restricted-access audiovisual transmissions broadcast via air, satellite, cable, in both analogic and digital formats (art. 171-*octies*, Law n. 633/41).

17. **Solicitation not to provide statements or to provide mendacious statements to a judicial authority** (art. 25 decies of the Decree):
    - Solicitation not to provide statements or to provide mendacious statements to a judicial authority (art. 377-*bis* of the Italian Criminal Code).

18. **Environmental offences** (art. 25 undecies of the Decree):
    - Environmental pollution (art. 452-*bis* of the Italian Criminal Code);
    - Environmental disaster (art. 452-*quater* of the Italian Criminal Code);
    - Unintentional offences to the detriment of the environment (art. 452-*quinquies* of the Italian Criminal Code);
    - Trafficking and abandoning of highly radioactive substances (art. 452-*sexies* of the Italian Criminal Code);
    - Aggravating circumstances (art. 452-*octies* of the Italian Criminal Code);
    - Organized activities for the illegal trafficking of waste (art. 452-*quaterdecies* of the Italian Criminal Code)
    - Killing, destroying, capturing, picking, holding specimen of a protected wild animal or plant (art. 727-*bis* of the Italian Criminal Code);
    - Destruction or degradation of habitats within a protected site (art. 733-*bis* of the Italian Criminal Code);
    - Unauthorized discharges of wastewater (art. 137, paragraphs 2, 3, 5, 11 and 13, of Law Decree 152/2006 "T.U.A.");
    - Unauthorized waste management activities (art. 256, paragraphs 1, 3, 5 and 6, of Law Decree 152/2006 "T.U.A.");
    - Pollution of soil requiring clean-up and remediation (art. 257, paragraphs 1 and 2, of Law Decree n. 152/2006 "T.U.A.");
    - Falsification of the results of waste analyses (art. 258, paragraph 4, second sentence, of Law Decree n. 152/2006 "T.U.A);
    - Illegal waste trafficking (art 259 paragraph 1 of Law Decree n. 152/2006 "T.U.A.");
    - Organized activities for the illegal trafficking of waste (art. 260, paragraphs 1 and 2 of Law Decree n. 152/2006 "T.U.A.");
    - Ideological forgery of waste analysis certificates used in connection with SISTRI (Italian waste tracking control system) - Handling Area - and ideological and material forgery of the SISTRI - Handling Area - information sheet (art. 260-*bis* of Law Decree n. 152/2006);
    - Breach of air emission limits and/or non-compliance with prescribed standards in emission

authorizations (art. 279, paragraph 5, of Law Decree n. 152/2006 "T.U.A.");

- Importing, exporting or re-exporting, selling, displaying or holding for sale purposes, transporting - also on behalf of third parties - or holding specimen of the species listed in Annex A, appendix I, Annex B and Annex C, part 1, of (EEC) Regulation n. 3626/82 as subsequently amended and integrated (art. 1, paragraphs 1 and 2, 2, paragraphs 1 and 2, and 6, paragraph 4 of Law n. 150/1992);
- Falsifying or tampering with CITES certificates of protected species (art. 3-*bis* of Law n. 150/1992);
- Possession of live specimens of wild mammals and reptiles and of live specimens of mammals and reptiles bred in captivity which constitute a danger to public health and safety (art. 6 Laws n. 150/1992);
- Use of ozone-depleting substances listed in Table A of Law n. 91/594/EC (art. 3, paragraph 6 of Law 549/1993);
- Pollution caused by ships (Articles 8 and 9 of Law Decree n. 202/2007).

19. **Employment of foreign nationals without a valid residence permit** (art. 25 duodecies of the Decree):
    - Provisions against illegal immigration (art. 12, paragraph 3, 3-*bis*, 3-*ter* and 5, of Law Decree n. 286/1998);
    - Employment of foreign workers without a valid residence permit as envisaged by Article 22 of Law Decree n. 286 of July 25th, 1998, or whose permit has expired - and whose renewal was not requested within the terms of law - or has been revoked or cancelled (art. 22, paragraph 12, Law Decree n. 286/98). The aggravating circumstances (Art. 22, paragraph 12-*bis*, of Law Decree n. 286/98) which, according to Article 2 of Law Decree n. 109/2010, trigger the implementation of the provisions of Law Decree 231/2001, include the cases in which the recruited workers are (alternatively):
        - more than three;
        - minors under working age;
        - exposed to situations of serious hazard with respect to the characteristics of the tasks to be performed and the working conditions (art. 603-*bis*, paragraph 3, of the Italian Criminal Code);

    (art. 22, paragraph 12bis, Law Decree 286/98).

20. **Racism and xenophobia** (art. 25 terdecies of the Decree):
    - Propaganda and incitement to criminal behaviour on grounds of racial, ethnic and religious discrimination (art. 604-*bis* of the Criminal Code).

21. **Fraud in sports competitions, unlawful operation of gaming or betting and gambling activities using prohibited devices** (art. 25- quaterdecies of the Decree):
    - Fraud in sports competitions (art. 1 Law n. 401/1989);
    - Unlawful operation of gaming or betting activities (art. 4 Law n. 401/1989).
22. **Tax offences** (art. 25 quinquiesdecies of the Decree):
    - Fraudulent declaration through the issuance of invoices and other documents for non-

existent transactions (art. 2 of Law Decree n. 47/2000);

- Fraudulent declaration through other devices (art. 3 of Law Decree n. 74/2000);
- Untruthful declaration (art. 4 of Law Decree n. 74/2000) (when the offence is committed as part of a cross-border scheme and the amount of evaded VAT is not lower than € 10,000,000.00);
- Omitted declaration (art. 5 of Law Decree n. 74/2000) (when the offence is committed as part of a cross-border scheme and the amount of evaded VAT is not lower than € 10,000,000.00);
- Issuing of invoices or other documents against non-existent transactions (art. 8 of Law Decree n. 74/2000);
- Concealment or destruction of accounting documents (art. 10 of Law Decree n. 74/2000);
- Improper set-off (art. 10 quater of Law Decree n. 74/2000) (when the offence is committed as part of a cross-border scheme and the amount of evaded VAT is not lower than € 10,000,000.00);
- Fraudulent failure to pay taxes (art. 11 of Law Decree n. 74/2000).

23. **Smuggling offences** (art. 25 sexiesdecies of the Decree):

- Smuggling in the movement of goods across land borders and customs areas (art. 282 of Presidential Decree n. 73/1943);
- Smuggling in the movement of goods in border lakes (art. 283 of Presidential Decree n. 73/1943);
- Smuggling in the maritime movement of goods (art. 284 of Presidential Decree n. 73/1943);
- Smuggling in the movement of goods by air (art. 285 of Presidential Decree n. 73/1943);
- Smuggling in non-customs areas (art. 286 of Presidential Decree n. 73/1943);
- Smuggling by improper use of goods imported with customs facilities (art. 287 of Presidential Decree n. 73/1943);
- Smuggling in customs warehouses (art. 288 of Presidential Decree n. 73/1943);
- Smuggling in cabotage and circulation (art. 289 of Presidential Decree n. 73/1943);
- Smuggling in the export of goods eligible for customs duty paybacks (art. 290 of Presidential Decree n. 73/1943);
- Smuggling in temporary import or export operations (art. 291 of Presidential Decree n. 73/1943);
- Smuggling of tobacco manufactured abroad (art. 291-*bis* of Presidential Decree n. 73/1943);
- Aggravating circumstances with respect to smuggling of tobacco manufactured abroad (art. 291-*ter* of Presidential Decree n. 73/1943);
- Criminal conspiracy for the purpose of smuggling tobacco manufactured abroad (art. 291-*quater* of Presidential Decree n. 73/1943);
- Other cases of smuggling (art. 292 of Presidential Decree n. 73/1943);

- Aggravating circumstances in the crime of smuggling (art. 295 of Presidential Decree n. 73/1943).

24. **Offences against cultural heritage** (art. 25-septiesdecies of the Decree)
    - Theft of cultural heritage (art. 518-*bis* of the Italian Criminal Code);
    - Misappropriation of cultural heritage (art. 518-*ter* of the Italian Criminal Code);
    - Handling of stolen cultural heritage (art. 518-*quater* of the Italian Criminal Code);
    - Forgery of private deeds relating to cultural heritage (art. 518-*octies* of the Italian Criminal Code);
    - Violations regarding the sale of cultural heritage (art. 518-*novies* of the Italian Criminal Code);
    - Illegal import of cultural heritage (art. 518-*decies* of the Italian Criminal Code);
    - Illegal exit or export of cultural heritage (art. 518-*undecies* of the Italian Criminal Code
    - Destruction, dispersion, deterioration, defacement, soiling and illegal use of cultural or environmental heritage (art. 518-*duodecies* of the Italian Criminal Code);
    - Counterfeiting of works of art (art. 518-*quaterdecies* of the Italian Criminal Code.).
25. **Laundering of cultural heritage and disruption and looting of cultural and environmental heritage** (art. 25-duodevicies of the Decree)
    - Laundering of cultural heritage (art. 518-*sexies* of the Italian Criminal Code);
    - Destruction and looting of cultural and environmental heritage) (art. 518-*terdecies* of the Italian Criminal Code).

1.3. THE CIRCUMSTANCES ENVISAGED BY LAW

1.3.1 Circumstances triggering liability ("positive" conditions)

As previously stated, the circumstances which will give rise, under the Decree, to this special form of liability require the simultaneous occurrence of a series of positive conditions (the concurrence of which is necessary for the liability to be triggered) and, at the same time, the absence of specific negative conditions, the presence of which may give rise to an exemption.

That being said, Entities will incur into the specific type of liability provided for by the Decree in the event that an offence:

a) included in the list of offences enumerated in the Decree or in laws which the Decree makes specific reference to;

b) has been committed, also or exclusively, in the interest or for the benefit of the Entity. The Decree does not apply if the Offence has been committed in the exclusive interest of the offender or of third parties;

c) has been committed by natural persons:

    1) who hold senior executive positions (i.e. representative, administrative or management offices at the Entity or at one of its organizational units with financial or operating autonomy, or natural persons who exercise, even de facto, the management and control of the Entity: senior executive; or

    2) subject to the direction or supervision of a senior executive: subordinate.

1.3.2 Circumstances that exclude liability ("negative" conditions)

Even where all of the above-mentioned requirements for incurring into liability are met, the Entity will not be held liable under the Decree in case that the Offence was committed:

a) by a Senior Executive, if the Entity can prove that:

   1) the management has adopted and effectively implemented, prior to the commission of the offence, an organization and management model that is properly designed to effectively prevent the commission of that type of Offence (hereinafter also referred to as the "**Model**" or "**Model 231**");

   2) the task of supervising the functioning of and compliance with the Model and ensuring that it is updated was entrusted to a body of the Entity endowed with autonomous initiative and control powers (hereinafter also referred to as "**Supervisory Body**" or "**SB**");

   3) the perpetrators of the Offence acted by fraudulently circumventing the Model;

   4) there has been no failure of or insufficient supervision on the part of the Supervisory Body.

b) by a Subordinate, in case that the Public Prosecutor cannot prove that the commission of the Offence was made possible by a failure to perform the duty of direction or supervision. In any event, a breach of the duties of direction or supervision is excluded if the Entity, prior to the commission of the offence, has adopted and effectively implemented a Model.

1.3.3 The interest or benefit of the Entity

A criminal liability is triggered only in case that specific types of offences are committed by individuals who are associated, in various capacities, with the Entity only in case that the conduct constituting a crime was committed in the interest or for the benefit of the Entity itself. This applies not only in the event that the illicit conduct has actually given rise to a benefit - financial or otherwise - for the Entity but also in cases where, even in the absence of a material benefit, the fact constituting a crime was motivated by a willingness to pursue the interests of the Entity.

Regarding the meaning of the terms "interest" and "benefit", the governmental Report attached to the Decree attributes to the former a subjective connotation, i.e. the will on the part of the material perpetrator (natural person) of the offence to secure gain to the entity - in other words the perpetrator must have acted with the specific aim of pursuing the entity's specific interests. The term "benefit" is considered objectively and refers to the material outcome of the agent's conduct - specific reference is made to the circumstances in which the perpetrator of the offence, even if not directly pursing the entity's interest, has nonetheless secured gain to the same.

According to the Report, therefore, the first requirement (interest) should be assessed on an *ex-ante* basis, i.e. upstream of the event. On the other hand, ascertaining whether or not there has been a benefit for the entity should always require an *ex-post* evaluation of the material result of the offence, even if the natural person was not acting in the Entity's interest.

1.3.4 Crimes committed abroad

Under Article 4 of the Decree, the company may be held liable in Italy for eligible predicate offences that were committed abroad but only if the following conditions are met:

no legal proceedings have been brought against these charges in the State in which the offence was committed;

the company has its registered headquarters within the territory of Italy;

the crime was committed abroad by an individual in a senior or in a subordinate position of the Italian entity;

the general conditions for prosecution under Articles 7, 8, 9, 10 of the criminal code are met (and in case that the law envisages that the offender - a natural person - be punished at the request of the Minister for Justice, proceedings against the entity are initiated only if said request is also made against the entity itself) in cases where a crime committed abroad can be prosecuted in Italy.

1.4. SANCTIONS UNDER THE DECREE

The sanction system envisaged by Law Decree 231/2001 for the offences listed above envisages, for each type of illegal conduct, the following administrative sanctions:

- *fines;*
- *disqualification measures;*
- *confiscation;*
- *publication of the Court's decision.*

Fines

Monetary sanctions involve the payment of a sum of money in the amount established by the Decree which ranges between a minimum of Euro 10,329 and a maximum of Euro 1,549,370, to be determined by the Judge on the basis of a two-step assessment system (so-called "quota" system).

Disqualification measures

Disqualification measures consist in:

- *prohibition from carrying on business activity;*
- *suspension or revocation of authorizations, licenses or permits instrumental to the commission of the offence;*
- *prohibition of entering into contracts with the Public Administration;*
- *exclusion from or revocation of benefits, loans, grants or subsidies;*
- *prohibition from advertising goods or services.*

Disqualification sanctions are applied, even in conjunction which each other, only in relation to Offences for which they are expressly envisaged by the Decree, where at least one of the following requirements are met:

a) the Legal Entity has obtained significant profit as a result of the offence and the same was committed by senior executives or by individuals under their supervision (subordinates) provided that - in the latter case - the perpetration of the crime was made possible or facilitated by serious organizational deficiencies;

b) there has been a reiteration of the offence.

In the event that one or both of the above requirements are met, disqualification sanctions are still not applied in case of occurrence of even just one of the following circumstances:

a) the perpetrator of the offence has acted primarily in his/her interest or in the interest of third parties and the entity obtained little or no benefit from the offence; or

b) the financial damage caused is particularly minor; or

c) prior to the declaration of the opening of the first instance trial, all of the following conditions have been fulfilled (hereinafter referred to as Conditions exempting from the application of a disqualification sanction):

   1) the entity has fully compensated the damage and removed the harmful or dangerous consequences of the offence or has in any case taken effective action to that effect;

   2) the entity has removed the organizational deficiencies that led to the offence by adopting and implementing a Model;

   3) the entity has made the profit obtained from the offence available to the authorities for confiscation.

Disqualifying sanctions may also be applied by the Court as interim coercive measures on request of the Public Prosecutor where the following requirements are met:

- there is serious evidence that the Entity is liable for an administrative offence under the Decree;
- there are well-founded and specific elements suggesting the existence of a concrete risk of commission of further offences of the same type as the ones under investigation.

Law Decree 231/2001 also provides that where the conditions exist for applying the disqualification sanction that envisages a ban from carrying on the business activity, the Judge, instead of applying that sanction, may order the continuation of the business activity at the hands of a Court-designated commissioner (Article 15 of the Decree) appointed for a period equal to the duration of the disqualification sanction that would have been imposed, provided that at least one of the following

conditions is fulfilled:

a) The entity performs a public service or a service of general interest, the interruption of which may cause serious harm to the community;

b) a discontinuation of the business activity may have a significant impact on employment, given the size of the entity and the economic conditions in the area where it is located.

Publication of the conviction

The conviction verdict is published only once, either in excerpt or in full, by the administrative office of the Judge in one or more newspapers indicated by the Judge in the verdict and posted in the municipality where the entity has its headquarters, all of which at the full expense of the entity.

The publication of the conviction ruling may be ordered when a disqualification measure is applied to the entity.

Confiscation

Confiscation is the forceful appropriation by the State of the price or profit of the offence, except for the part that can be returned to the damaged party and subject to any rights acquired by third parties in good faith. When it is not possible to execute confiscation of the price or profit of the offence, the confiscation may concern amounts of money, goods or other utilities with a value equivalent to the price or profit of the offence.

1.5. LIABILITY IN CASE OF CHANGES TO THE ENTITY

The Decree regulates the legal entity's liability also in relation to modifying events such as transformation, merger, demerger and sale of business.

In case of transformation of the entity, the same remains liable for offences committed prior to the date on which the transformation took effect. The sanctions applicable to the original entity for actions committed prior to the transformation will therefore be applied to the new entity.

In the event of a merger, the entity resulting from the merger, including by incorporation, will be held accountable for offences committed by the entities that participated in the transaction. In case that the merger takes place before the conclusion of the judicial proceedings instituted to ascertain the entity's liability, the Judge will take into consideration the economic conditions of the original entity instead of those of the entity resulting from the merger.

In case of a demerger, the demerged company remains liable for offences committed prior to the date on which the demerger took effect. The beneficiary entities of the demerger are jointly and severally liable for the payment of the monetary penalties due by the demerged entity within the limit of the net assets transferred to each individual entity. This limit does not apply to the beneficiary companies to which the branch of activity within which the offence is committed is transferred, even if only partially. Disqualification sanctions will apply to the entity (or entities) to which the branch of activity within which the offence was committed remained or was transferred. If the demerger took place before the conclusion of the judicial proceedings instituted to ascertain the entity's liability, the Judge will take into consideration the economic conditions of the original entity instead of those of the entity resulting from the merger.

In case of sale or transfer of the entity within which the predicate offence was committed, without prejudice to right of prior enforcement against the transferor, the transferee is jointly and severally liable to pay the monetary sanction imposed on the transferor, limited to the value of the business transferred and to the value of the monetary sanctions resulting from the mandatory accounting books or due for administrative offences of which the transferee was in any case aware.

1.6. CONDITIONS EXEMPTING FROM ADMINISTRATIVE LIABILITY

Article 6 of Law Decree n. 231/2001 establishes that the entity is exempt from administrative liability if it can prove that:

- the top management has adopted and effectively implemented, prior to the commission of the offence, an adequate Model capable of preventing offences of the same nature of the one that has been committed;

- the duty 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 (supervisory body);
- the individuals who committed the offence did this by fraudulently circumventing the Model;
- there has been no failure or omission on the part of the Supervisory Body in exercising supervision.

The adoption of the Model, therefore, allows the Entity to be exempt from administrative liability. The mere adoption of such a document, by a resolution of the entity's administrative body, is not sufficient in itself to rule out said liability. It is in fact necessary to prove that the Model has been effectively and efficiently implemented.

Regarding the effectiveness of the Model for preventing the offences envisaged by Law Decree n. 231/2001, the same must:

- identify the corporate activities within the scope of which offences may be committed;
- envisage specific protocols aimed at directing the manner in which the entity's decisions are made and implemented in relation to the offences to be prevented;
- identify appropriate procedures for managing financial resources suitable for preventing the commission of offences;
- envisage reporting obligations towards the body entrusted with overseeing the functioning of and compliance with the Models;
- introduce a disciplinary system aimed at sanctioning non-compliance with the measures indicated in the Model.

With reference to the effective implementation of the Model, Law Decree n. 231/2001 requires:

- periodic revisions of the Model and a modification of the same in the event that major violations of its provisions are detected or in case of changes in the organizational structure or operation of the entity or of regulatory changes;
- a disciplinary system to sanction non-compliance with the prescriptions set forth in the Model.

In case of offences committed by individuals in subordinate positions, the adoption and effective implementation of the Model means that the entity will be held liable only if the offence was made possible by a failure to comply with the obligations of direction and supervision.

Finally, the Decree sets forth that the supervision responsibility can be assigned:

a) in case of small entities, directly to the top management;

b) in case of corporations, to the Board of Statutory Auditors, the Supervisory Board or the Management Control Committee.

1.7. MITIGATION MEASURES REGARDING THE LENGTH OF DISQUALIFICATION SANCTIONS

Paragraph 5 bis of Article 25 of Law Decree 231/01, introduced by the Anti-corruption Law n. 3/2019 entitled "*Measures to combat crimes against the public administration and provisions on time-barring of crimes and transparency requirements for political parties and movements*" provides for a mitigation of disqualification penalties with reference to crimes of malfeasance in office, improperly inducing to give or promise to give anything of value or bribery (for a term ranging between 3 months and 2 years).
This penalty mitigation is granted to an Entity which, prior to the issuance of the first-instance trial judgement, has eliminated the organizational deficiencies that led to the offence in the first place by adopting and implementing adequate organizational models suitable for preventing offences of the same type as the one that has occurred and has taken effective steps to:

- prevent the criminal activity from having further consequences;
- preserve the evidence of the offences;
- identify those responsible;
- seize the sums of money and other items of value involved.

1.8. THE "GUIDELINES" OF CONFINDUSTRIA (Italian Manufacturers' Association)

Article 6 of Law Decree n. 231/2001 expressly sets forth that the organization, management and control models may be adopted on the basis of codes of conduct drawn up by the associations that represent the entities.

For the purposes of setting up the Model, the Entity has therefore made use of the "Guidelines for the drafting of organization, management and control models pursuant to Law Decree n. 231/2001" (hereinafter referred to as the "**Guidelines**") drawn up by Confindustria and approved by the Ministry of Justice with Ministerial Decree of December 4th, 2003. The following update of the document, published by Confindustria on May 24th, 2004, was approved by the Ministry of Justice which deems these Guidelines to be suitable for achieving the purposes set out in the Decree. These Guidelines were last updated in June 2021.

In outlining the Model, the Confindustria Guidelines recommend the following planning phases:

In outlining the Model, the Confindustria Guidelines recommend the following planning phases: identification of risk areas through an analysis of the corporate context in order to highlight in which areas of activity and in what manner the offences provided for by Law Decree n. 231/2001 may occur within the context of the organization;

- setting up a control system capable of preventing of the risk of offences highlighted in the previous work phase by evaluating the existing system and its degree of compliance with the prevention requirements set forth in Law Decree n. 231/2001.

The key components of the control system outlined by the Confindustria's Guidelines to ensure the effectiveness of the Model are summarized below:

a) an Ethical Code that lays down ethical principles and rules of conduct;

b) a sufficiently formalized and clear organizational system, particularly with regard to allocation of responsibilities, hierarchical reporting lines and description of tasks;

c) manual and/or IT procedures to be followed in performing corporate activities including the provision of adequate checks and controls;

d) authorization and signing powers consistent with the organizational and management responsibilities assigned by the entity providing, where necessary, adequate spending limits;

e) management control system capable of promptly reporting possible critical issues;

f) personnel information and training.

The Confindustria's Guidelines also specify that the above-mentioned components of the control system must comply with a series of control principles such as:

a) every operation, transaction and action must be verifiable, traceable, consistent and appropriate;

b) application of the principle of separation of functions and segregation of tasks (for example, nobody is allowed to manage an entire process autonomously);

c) setting up, implementing and documenting a control activity on processes and activities that entail the risk of an offence.

d) provision of an adequate system of sanctions for violations of the Ethical Code and the procedures envisaged by the Model;

e) identification of the requirements for the Supervisory Body, summarized as follows:

   1) autonomy and independence;

   2) professional competence;

   3) continuity of action;

   4) reporting obligations of the Supervisory Body.

It should be noted that non-compliance with specific sections of the Guidelines does not undermine, in itself, the validity of the Model. As a matter of fact, since the Model must be drafted on the basis of the distinctive characteristics and concrete circumstances of the entity to which it refers, it may deviate from the Guidelines which, by their very nature, are general reference principles.

1.9. LATEST CASE LAW TRENDS

For the purposes of drafting the Model, Sammontana Finanziaria S.r.l. also reviewed existing case law on the subject matter.

It turned out that, while the first court rulings issued in matters of administrative liability of legal entities under Law Decree n. 231/2001 did not address the adequacy of control systems, recent trends in case law/court decisions have shown more concern with verifying the actual adequacy, timeliness of adoption and suitability of the Model to the needs and characteristics of the entities adopting it (Milan Court, 4th Criminal Section, February 4th, 2013, n. 13976; Court of Cassation, 5th Criminal Section, n. 4677 of 2014; Court of Appeal, Florence, 3rd Criminal Section, n. 3733 of 2019; Court of Cassation, 4th Criminal Section, n. 12528 of 2019; Court of Cassation, 4th Criminal Section n. 3731 of 2020; Milan Court, 2nd Criminal Section n. 10748 of 2021, Court of Vicenza, Criminal Section n. 348 of 2021, Court of Cassation, 4th Criminal Section n. 32899/2021).

While existing case law is heterogenous, some constant references emerge when it comes to ascertaining the suitability of the Model adopted. These references concern the criminal acts against which action is being taken, the organizational structure, size, type of business activity as well as the history, including from a judicial viewpoint, of the company involved in the proceedings.

More specifically, the Judges considered the following aspects:

- the actual autonomy and independence of the Supervisory Body;
- the level of analysis and thoroughness that went into the identification of the areas at risk;
- the provision of specific protocols governing how the entity's decisions are formed and implemented in relation to the offences to be prevented;
- the provision of disclosure obligations towards the body entrusted with supervising the functioning and observance of the models;
- the adoption of a disciplinary system aimed at sanctioning non-compliance with the measures indicated in the Model.

In drawing up the Model, Sammontana Finanziaria S.r.l. has also been guided by the most recent court decisions, taking into account the principles endorsed by them and the trends that have established themselves over time.

- GENERAL SECTION II –

THE ORGANIZATION MODEL

2. THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL

2.1 AIM OF THE MODEL

SAMMONTANA FINANZIARIA S.R.L. (hereinafter also referred to as "**Sammontana Finanziaria**" or the "**Company**") is a company with a single shareholder (Società per Amministrazioni Fiduciarie SPAFID S.p.A.) which engages primarily in the business of acquiring equity interests and shareholdings in other companies or entities; funding, technical and financial coordination for the companies and entities it invests in; purchase and sale of corporate-owned real estate property, located in Italy and abroad; provision of administrative and technical services.

That being said, Sammontana Finanziaria, aware of the importance of adopting, and effectively implementing, a system capable of preventing the commission of unlawful conduct in the corporate context, has approved - by resolution of the Board of Directors on October 17th, 2020 - this version of the Organisation, Management and Control Model pursuant to Law Decree n. 231/2001 on the assumption that it constitutes a valid tool for sensitising addressees (as defined in paragraph 2.3) to the importance of adopting proper and transparent conduct aimed at preventing the risk of perpetrating criminal offences included in the list of predicate offences leading to administrative liability of entities.

By adopting the Model, the Company intends to pursue the following aims:

a) to ban conduct that may constitute an offence under the Decree;

b) to raise awareness on the fact that any violation of the Decree, the provisions contained in the Model and the principles of the Ethical Code may give rise to sanctions (monetary and disqualifying sanctions), including against the Company;

c) to enable the Company, through a set of procedures and by constantly monitoring the proper implementation of that system, to prevent and/or promptly counteract the perpetration of predicate offences under the Decree.

2.2 AIMS AND KEY TENETS OF THE MODEL

As is known, the adoption of a Model is not mandated by the provisions of the Decree. However, Sammontana Finanziaria adopted it in order to raise awareness among all those who work on its behalf and enable them to follow correct and appropriate behaviour in their activities, thus preventing the risk of perpetrating any offences covered by the Decree itself.

This Model was set out in accordance with the provisions of the Decree and the Guidelines issued by Confindustria. As stated above, the Model was shaped out also on the basis of some landmark rulings on this matter.

Its main aim is to establish a structured and consistent set of control procedures and tasks to prevent to the extent possible any misconduct that can lead to the offences provided for by the Decree.

By identifying the activities that may result in offences ("sensitive activities") and including them into targeted procedures, the Company intends:

- on the one hand, to make all individuals working on behalf of Sammontana Finanziaria aware that they may commit offences punishable by sanctions, which the Company strongly disapproves of, as they are always detrimental to its interests, even when they might bring some short-term economic benefits;

- on the other hand, to monitor consistently their activities and take timely actions to prevent or combat such offences.

2.3 ADDRESSEES

The provisions of this Model are binding for the entire Board of Directors, for those who have roles related to representation, administration, leadership or management and control (also de facto) in Sammontana Finanziaria, for employees, executives and staff reporting to or supervised by the senior executives of the Company (hereinafter also referred to as "**Addressees**").

In particular, the Addressees of the Model are:

- the Board of Directors and all those who have management and leadership roles in the Company or its divisions and/or organisational units with functional and financial autonomy, as well as those who are also actually managing and controlling the Company;
- individuals who have a subordinate employment relationship with the Company (employees);
- all those who collaborate with the Company under a flexible employment relationship (apprentices, etc.);
- those who perform "sensitive activities" on a mandate or on behalf of the Company, such as consultants.

The Addressees of this Model are bound to comply with its provisions in a timely manner, also in order to fulfil their duties of loyalty, fairness, and diligence that arise from their legal agreements with the Company.

2.4 KEY TENETS OF THE MODEL

The key tenets adopted by Sammontana Finanziaria in defining this Model- which will be outlined in greater detail in the following sections - are summarized below:

- the map of activities that may lead to offences (the so-called "sensitive activities") with examples of potential ways in which such offences can be committed and instrumental/functional processes which, in theory, incorporate the conditions and/or the means for perpetrating such offences, as outlined in the *"Risk Assessment"* document referred to in paragraph 2.6;
- the set of procedures and *policies* intended to protect all activities of the Company including, for the purpose of this Model, those activities that in the above-mentioned map appear to be prone to potential risks of committing the offences referred to in Law Decree 231/2001;
- the set of rules of conduct and control protocols defined for each instrumental/functional process to guide Sammontana Finanziaria's decisions as set out in the "*Special Part"* of the Model;
- auditing and reporting of each relevant material transaction;
- enforcement of the principle of segregation of duties, whereby no one person can manage an entire process autonomously;
- allocation of powers consistent with organizational responsibilities;
- retrospective validation of the conduct of the Company and the functioning of the Model with periodic updates;
- establishment of a single-member Supervisory Body, which is appointed to ensure that the Model is implemented and applied in an efficient and effective manner pursuant to the Decree;
- a set of sanctions intended to ensure the effective implementation of the Model and including disciplinary measures and sanctions applicable to Addressees, should they violate the provisions set forth in the Model;
- awareness and training activities concerning the content of the Model.

2.5 ETHICAL CODE

Sammontana Finanziaria is aware of the need to perform its activities in compliance with the principle of lawfulness, and has, therefore, adopted an Ethical Code (see Annex "1").

The Ethical Code sets out the principles for proper management of its corporate activities which are instrumental to prevent the unlawful behaviour referred to in the Decree, thus also having a preventive function for the purpose of the Model, being, therefore, complementary to it.

The Ethical Code describes the principles that apply to the Company and must be fulfilled by their employees and corporate bodies as well as by third parties who, for any reason, have relations with it. Therefore, compliance with the Ethical Code is not intended solely to disseminate a culture of legality and ethics within the Company, but also to protect the interests of the employees and all those who

have relations with the Company, thus protecting it from serious liability, sanctions and reputational damage.
Since the Ethical Code incorporates some principles of conduct (including the principles of lawfulness, fairness and transparency) that are also suitable for preventing unlawful conduct as per Law Decree 231/2001, this document is particularly relevant for the purposes of the Model and is, therefore, complementary to it.

The task of supervising compliance with the Ethical Code is entrusted to the Supervisory Body, which was established pursuant to Law Decree 231/2001.

2.6 METHODOLOGY FOR MODEL DEFINITION: MAPPING ACTIVITIES PRONE TO THE RISK OF OFFENCES - INSTRUMENTAL PROCESSES AND CONTROLS

The effective implementation of the project and the need to adopt objective, transparent and traceable criteria for the design of the Model called for the use of appropriate methodologies and integrated tools.

This activity was performed in compliance with the Decree and other rules and regulations applicable to the Company and, for any non-regulated aspects, with:

- the guidelines issued by Confindustria on "organisational and management models";
- the *"best practice"* principles concerning controls (C.O.S.O. *Report*; *Federal Sentencing Guidelines*).

Law Decree 231/2001 expressly provides, in Art. 6, paragraph 2, letter a), that the Model of a company should identify the corporate activities within the scope of which there is a potential risk that the offences listed in the Decree may be perpetrated.

Consequently, the Company conducted a thorough review of such activities with the support of a consultant. As part of this effort, the Company firstly analysed the organisational structure reflected in its organisational chart that identifies its Departments/Functions and outlines their roles and hierarchical-functional reporting lines.
Subsequently, Sammontana Finanziaria reviewed its activities on the basis of information gathered from its senior leaders (i.e. Executives/Function Managers) who, given their role, have the broadest and deepest knowledge of the activities performed in the area under their responsibility. The outcome of this analysis was reported in the "***Risk Assessment, Gap Analysis and Action Plan Report "*** which contains the following sections:

Sect. I The **"*Map of activities prone to offences*"** in which each sensitive activity is matched with a category of potential offences that are more likely to occur within its scope, taking into account the expected behavioural standard described in the Law Decree and the specific activities carried out by the Company.

Sect. II The **"*Gap Analysis & Action Plan*"** which identify and assess the control measures adopted by the Company, both "cross-functional" ones and those specific to each area at risk/sensitive activity, and highlight any gaps and suggestions/proposed actions intended not only to improve the internal control system, but also to mitigate the risk of perpetrating the offences referred to in Law Decree 231/01.

Sect. III The "***Risk Assessment***" which focuses on the residual risk of perpetrating "231" offences based on the control system identified. As per the Confindustria Guidelines, this document also outlines certain types of offences that are more likely in each risk area, along with examples of unlawful conduct and potential aims that the Company may pursue in relation to those offences.

This document is kept at the Company's registered office and is available for consultation by the Supervisory Body, the Board of Directors, the Sole Auditor, and anyone authorized by the Company to this end.

2.6.1 Business areas prone to offences and types of relevant offences

The analysis of the day-to-day functioning of Sammontana Finanziaria led to the identification of the following areas prone to potential offences:

A. Management of relationships with individuals working for the public administration or other public bodies
B. Accounting and corporate taxation
C. Fulfilment of corporate obligations

D. Personnel

E. Purchasing

F. IT systems

G. Health and Safety

H. Management of intercompany transactions

I. Relations with the Judicial Authority

2.6.2 "Instrumental/functional" business processes

In the context of the above-mentioned activities, the Company has identified the so-called instrumental/functional processes to the perpetration of offences, i.e. those processes which may entail, in principle, conditions and/or means that can potentially lead to the offences referred to in the Decree and which are associated with the sensitive activities.

These instrumental/functional processes are:

1. Relations with Public Administration and Independent Administrative Authorities
2. Management of financial flows and taxation
3. Selection, recruitment and management of Personnel
4. Procurement
5. Fulfilment of obligations in relation to health and safety on the workplace pursuant to Law Decree N. 81/08
6. Managing safety and maintenance of IT systems
7. Drafting of financial statements and managing relations with the Shareholder, the Sole Auditor and the Auditing Firm
8. Management of intra-Group relations
9. Management of relations with the Judiciary Authority.

A specific Section of the Special Part of the Model has been dedicated to each relevant instrumental/functional process which is considered potentially prone to the offences provided for by the Decree. This Section also includes the so-called **"Control Protocols"** that the Company has implemented to avoid committing offences in the management of sensitive activities and of instrumental/functional processes in relation to Law Decree 231/2001.

2.7 THE STRUCTURE OF THE ORGANIZATION AND CONTROL SYSTEM

When drafting the Model and given the areas prone to offences that turn out to be relevant, the Company reviewed its existing organisational and control system, which includes a complex series of controls, in order to validate whether it was suitable for preventing the offences provided for by the Decree.

In particular, the organisation and control system of Sammontana Finanziaria is not only based on the principles of conduct and the Control Protocols set out in the Special Section of this Model, but also on the following elements:

- the national, community and international legislative and regulatory framework applicable to the activities carried out by Sammontana Finanziaria which the Company strictly adheres to;
- the Ethical Code, which - as indicated in paragraph 2.5 - enshrines the principles and rules of conduct adopted by the Company;
- the existing system of delegated and proxy powers (see paragraphs 2.8 and 2.9);
- the hierarchical-functional structure (see the Company's organisational chart, also with reference to Health and Safety in the workplace). This document reflects the changes that have actually occurred in the organizational structure and is, therefore, kept constantly updated;
- the standards of conduct and control protocols set out in the Special Section of this Model;
- the implementation of integrated information systems, which ensure the segregation of duties, as well as highly standardized processes and the protection of the information contained therein

both for management and accounting systems and systems supporting *business*-related operational activities.

The current organizational and control system of Sammontana Finanziaria, which has been designed to manage and monitor the main corporate risks, ensures the following objectives:

- effective and efficient use of company resources, protection against losses and preservation of company assets;
- compliance with applicable laws and regulations in all its transactions and actions;
- availability of reliable information, i.e. timely and truthful disclosures to ensure that all decision-making processes are executed in a fair manner.

The underlying principles of this system are reflected and implemented in the corporate procedures and in the control protocols:

- every operation, transaction and action must be truthful, verifiable, consistent and documented;
- the system guarantees, also through a consistent allocation of powers and proxies and of authorization levels, the application of a principle of segregation of tasks (whereby nobody is allowed to manage an entire process autonomously) and functional independence;
- the internal control system reports the controls that are performed, including supervisory controls.

The responsibility for the proper functioning of the internal control system falls on each Department/Function for all the processes within its scope.

The existing corporate control structure consists in:

- line controls performed by the individual Head Departments/Functions on the processes falling within their management responsibility, with the aim of ensuring the proper conduct of business operations;
- functional reporting lines at Group level.

It should also be noted that the Company, in accordance with art. 6, paragraph 2, lett. c of Law Decree No. 231/01, uses IT tools, procedures and qualified resources with the aim of: *i*) managing financial information flows in an orderly and transparent manner; *ii*) averting any potential attempt to create hidden funds and/or provisions for committing any offences provided for by the Decree itself.

2.8 THE COMPANY'S SYSTEM OF DELEGATED AND PROXY POWERS

The authorisation and decision-making system of the Company consists of a coherent system for delegation of duties and powers of attorney that relies on the following rules:

- the proxies must match each management power with its relevant responsibility and with an appropriate position in the organisational chart and be updated in case of changes in the organization;
- each proxy must be accompanied by a specific and unambiguous definition and description of the delegate's powers and the person to whom the delegate reports on an hierarchical/functional level;
- the powers assigned with the proxies and their use must be consistent with the objectives of the Company;
- the delegate must have spending powers that are proportionate to his/her functions;
- the proxies may only be granted to individuals who have an internal functional proxy or a specific role and must indicate the scope of his/her powers of representation and, where applicable, his/her spending limits;
- all those who have relations with the Public Administration on behalf of Sammontana Finanziaria must have a proxy/power of attorney to this effect.

2.9 THE ORGANIZATIONAL STRUCTURE IN PLACE TO GUARANTEE HEALTH AND SAFETY ON THE WORKPLACE

With regard to health and safety on the workplace, the Company has set up an organizational structure in compliance with Law Decree n. 81/2008, as subsequently amended and supplemented, (so-called

"**Testo Unico Sicurezza**"), with the aim of eliminating or, when this is not possible, minimizing, to the extent possible, the risks of manslaughter and of serious or very serious injuries to workers.

In consideration of its functions, the Board of Directors is recognized as inherently vested with the role of Employer with regard to the corporate activities and the premises where the same are carried out and is granted full decision-making and management autonomy in compliance with the approved *budget* and with applicable corporate procedures.

According to Law Decree n. 81/2008 it is responsibility of the Employer to assess whether or not it is appropriate to appoint specific functions for health & safety matters by means of a delegation of functions - pursuant to Article 16 of Law Decree n. 81/2008 - to individuals who meet specific requirements in terms of technical expertise, professional competence and experience in the subject matter.

The Company's current organizational set-up provides for the formalization of appointments and functional proxies to ensure the necessary technical expertise and powers for risk verification, assessment and management, also thanks to the attribution of appropriate powers to the delegated individuals.

This organizational structure comprises the following functions:

- Prevention and Protection Service Officer (RSPP);
- first-aid officers;
- fire prevention officers;
- competent doctor;
- employees/workers.

It is a specific responsibility of the Employer to draw up and prepare the Risk Assessment Document ("**DVR**") which formalizes the Company's assessment of all risks concerning the occupational health and safety of workers during the performance of their respective activities and the appropriate measures for preventing injuries and accidents through risk reduction.

The tasks and responsibilities of the above-mentioned individuals are formally defined in accordance with the Company's organizational and functional set-up with reference to the specific functions that operate within the scope of the activities that are exposed to the risk of perpetrating offences with regard to occupational health and safety.

The management system in place to comply with occupational health and safety obligations (as reported in Part 5 of the Special Section, to which specific reference is made) includes a monitoring system, operated by the Prevention and Protection Services, designed to guarantee that the measures adopted continue to be appropriate and effective over time.

This system also envisages the review and, if necessary, the modification of the measures adopted if significant violations of accident prevention rules are detected or in case of changes in the organizational structure and operations of the Company as a result of scientific and technological progress. These activities are conducted by the competent Prevention and Protection Service Officer, as provided for in Article 28 of Law Decree n. 81/2008, and during the periodic meeting referred to in Article 35 of Law Decree n. 81/2008.

3 SUPERVISORY BODY

Art. 6, paragraph 1, of Law Decree 231/2001 requires, as a condition for the exemption from administrative liability, that the task of supervising the compliance with and functioning of the Model, including its periodic updating, be entrusted to a Supervisory Body of the company, which has powers of initiative and control and performs consistently the tasks entrusted to it.

The Decree requires that the Supervisory Body performs its functions outside the operational processes of the Company, reporting periodically to the Board of Directors, with no hierarchical relationship with it or with the individual managers responsible for the Departments/Functions.

Confindustria Guidelines highlight that, although Law Decree 231/2001 allows for the Supervisory Body to have either a single member or multiple members, it should be sized and organized in such a way as to fulfil the purposes of the law and ensure that controls are effective.

Pursuant to the provisions of Law Decree 231/2001, the Board of Directors of Sammontana Finanziaria

approved, by a resolution dated 17th October 2020, the appointment of the Supervisory Body with a single member, with a functional reporting line to the Board itself.

In particular, the composition of the Supervisory Body was defined in such a way as to meet the following requirements:

- *Autonomy and independence*: this requirement is fulfilled, since this body reports directly to the Board of Directors, but with no hierarchical subordination to it.
- *Professional competence*: this requirement is also met thanks to the professional, technical, and practical knowledge of the member of the Supervisory Body. In particular, the chosen setup ensures that the Body has an appropriate understanding of the legal implications, control and monitoring principles and techniques, and of the organisational structure and key processes of the Company.
- *Operational continuity*: this requirement prescribes that the Supervisory Body is bound to constantly monitor compliance with the Model by the Addressees and to investigate according to its powers so as to ensure its implementation and updating, given its relevance for all personnel of Sammontana Finanziaria.

3.1 GENERAL PRINCIPLES CONCERNING TERMS OF OFFICE, DISQUALIFICATION AND REVOCATION OF THE SUPERVISORY BODY

The Supervisory Body remains in office for the period defined by the Board of Directors in the Board resolution with which this Body was established. The members of the Supervisory Body are chosen among individuals who have an unquestionable high-standing ethical and professional record and are not married to or kin within the second degree to the members of the Board of Directors, nor have any other relationship that could cause any potential conflict of interest.

In any case, the members of the Supervisory Body remain in office beyond the end date of their term, as set out in the Board resolution appointing them, until the Board of Directors has specifically resolved to appoint new members of the Supervisory Body or has re-appointed the previous ones.

The appointed members of this Body can be Company employees and independent professionals.

The Board of Directors appoints and revokes the Chairman of the Supervisory Body, chosen among the independent consultants. Should the Board of Directors not appoint the Chairman, the Supervisory Body itself will proceed to his/her appointment.

The remuneration of the members of the Supervisory Body does not imply any alleged conflict of interest.

Anyone who has been banned, disqualified, declared bankrupt or who has been convicted, even if not definitively, for any offence entailing disqualification, even temporarily, from public offices or the ineligibility to cover executive roles, or anyone who has been sentenced, even if not definitively, for any offence entailing a conviction requested by the parties pursuant to Article 444 of the Code of Criminal Procedure (so-called "plea bargaining") for any offence under Law Decree 231/2001, cannot be appointed as a member of the Supervisory Body, and if appointed, shall be disqualified.

The members who have a subordinate employment relationship with the Company automatically cease their role as members of the Supervisory Body, if said work relationship ends, regardless of the cause for termination or if they take on a new position incompatible with the requirements to be fulfilled by the Supervisory Body members.

The Board of Directors may revoke the members of the Supervisory Body at any time, but only for just cause, by Board resolution, after hearing the opinion of the Sole Auditor.

The following constitute just cause for the revocation of members:

- failure to inform the Board of Directors of any conflict of interest that prevents a member of the Supervisory Body from retaining this office;
- breach of confidentiality duties regarding news and information learnt while performing their functions within the Supervisory;

If revocation occurs without just cause, the revoked member may ask to be immediately reinstated in office.

On the other hand, the entire Supervisory Body shall be disqualified in the event of:

- a serious breach by the Supervisory Body is ascertained in the performance of its auditing and control;

- the Company has been sentenced, even if not irrevocably, or convicted for any offence as requested by the parties pursuant to Article 444 of the Code of Criminal Procedure (so-called "plea bargaining"), whereby it appears from the records that the Supervisory Body has not fulfilled fully or partly its supervisory duties.

Each member may withdraw from the office at any time with at least 30 days written notice, to be notified by registered letter with a return receipt to the Chairman of the Board of Directors who informs the Board of Directors itself.

In the event of revocation, withdrawal or disqualification of a member or other events that may reduce the number of members down to only two individuals, the Supervisory Body may in any case perform its functions and operate until the date of the Board resolution for the appointment of the third member.

The Supervisory Body shall autonomously set out the rules for its own functioning in specific Regulations. In particular, it shall define its operating procedures to perform its functions. These Regulations are then forwarded to the Board of Directors for acknowledgement.

3.2 POWERS AND FUNCTIONS OF THE SUPERVISORY BODY

The Supervisory Body is entrusted with the task of supervising the following:

- the effectiveness of the Model: i.e. to ensure that the conduct of individuals within the Company complies with the requirements set out in the Model itself;
- the efficacy of the Model: i.e. to verify that the Model is actually suitable to prevent any offences covered in the Decree and any subsequent provisions amending its scope of application;
- the opportunity to update the Model in order to adapt it to current circumstances and changes in legislation and the corporate structure.

On a more operational level, the Supervisory Body is entrusted with the following tasks:

- review periodically the map of areas prone to the risk of offences (or "sensitive activities"), contained in the *Risk Assessment* document, to adapt it to changes in the activity and/or the structure of the Company. To this end, the senior leaders, and the managers in charge of control activities within the individual functions must report to the Supervisory Body any situations that may expose the Company to the risk of perpetrating offences. All communication must be exclusively in written form;
- conduct periodic checks, also by appointing independent professionals, as requested by Model, in particular to ensure that the procedures, protocols and controls provided for are implemented and reported in a compliant manner and that the ethical principles are fulfilled. However, the control activities are delegated primarily to the operational managers and are considered an integral part of every corporate process (so-called "line controls"); hence the importance of having a proper staff training process;
- verify the adequacy and effectiveness of the Model in preventing the Offences referred to in the Decree;
- perform periodical checks on specific operations or actions, above all in the context of the sensitive activities, and report results in a summary document that will be shared in relevant meetings with the corporate bodies;
- collaborate with the other corporate functions (also by means of ad-hoc meetings) to exchange information aimed at consistently updating the areas prone to offences/sensitive activities in order to:
    - keep their evolution under scrutiny for the purpose of constant monitoring;
    - verify the various aspects related to the implementation of the Model (definition of standard clauses, staff training, regulatory and organisational changes, etc.)
    - ensure that the corrective actions necessary to make the Model adequate and effective are taken promptly;
- collect, process and store all relevant information received in compliance with the Model, as well as update the list of information that must be reported into it. To this end, the Supervisory Body has free access to all relevant company documents and must be constantly informed by management about the following:

- any aspects in the activities that may expose the Company to any risk resulting from committing any of the offences covered in the Decree;
- any relations with consultants;

- understand the relevant regulations and check that the internal control system is appropriate and compliant with regulatory requirements;
- report periodically to the Board of Directors and the Sole Auditor on the application of company policies for the implementation of the Model.

This structure must be able to operate in compliance with the requirements for the transposition, auditing and implementation of the Models as requested by Art. 6 of the Decree. Likewise, it must allow for constant monitoring of the model implementation status and the consistency of the models with the prevention-related requirements set out in the law. This constant monitoring activity has a two-fold aim:

- if the implementation of the required operational standards turns out to be defective, it is the duty of the Supervisory Body to take all the necessary steps to correct the anomalous situation. Therefore, depending on the circumstances, the Supervisory Body will:
  - urge the managers of the individual organisational units to comply with the Model;
  - indicate directly which corrections and changes should be made to the ordinary business practices;
  - report the most serious failures in the implementation of the Model to the managers and control officers within the individual functions.
- if, on the other hand, the implementation of the Model turns out to need any adjustment, despite it has been fully and correctly implemented, but proves to be inadequate for the purpose of avoiding any of the offences included in the Decree, the Supervisory Body shall have to take action to ensure how and when the adjustment can be made.

To this end, as mentioned above, the Supervisory Body must have free access to all company documents, be allowed to receive any relevant data and information from the managers in charge of leading the Departments/Functions, as well as call on experienced consultants whenever necessary to perform the auditing and control activities or to update the Model.

In addition to the above, following the coming into force of Law Decree n. 24 of March 10th, 2023 (the "**Whistleblowing Decree**") *implementing EU Directive 2019/1937 on the protection of individuals who report violations of national or European Union law that cause harm to public interest or to the integrity of public administration or private entities, of which they have become aware in a work-related context in a public or private entity*, the Supervisory Body is required to:

- oversee the implementation by the Company of an internal reporting channel whose "design" is in line with the requirements of Law Decree 24/2023, making sure that the Model is subsequently updated to take into account the channel (refer to paragraph 3.3.3 for this specific topic);
- oversee the adoption, by the Company, of a Whistleblowing procedure ("**Whistleblowing Procedure**") to regulate the handling of internal reports made by Whistleblowers, as well as the requirements and methods for collecting, managing and filing the reports made via the internal channel implemented by the Company;
- oversee the delivery of training, communication and dissemination initiatives concerning the requirements laid down by the Model and the Whistleblowing Procedure;
- monitor the effectiveness and accessibility of the internal reporting channel implemented by the Company;
- oversee the proper operation of and compliance with the provisions set forth in the updated Model and in the Whistleblowing Procedure (for example: verify compliance with Article 4, paragraph 2, of Law Decree 24/2023 with regard to the person officially tasked with managing the channel, carry out periodic sample checks to assess compliance with the timing requirements set out in Law Decree 24/2023 concerning acknowledgement of receipt and response, verify the proper enforcement of the disciplinary system when required and the measures adopted to ensure compliance with confidentiality obligations and the prohibition of retaliation).

3.3 REPORTING BY THE SUPERVISORY BODY TO THE CORPORATE BODIES

The Supervisory Body is responsible to report the following to the Board of Directors:

- at the beginning of its activity and, subsequently, at the beginning of each financial year: the operating plan it intends to implement in order to fulfil its tasks;
- periodically: the progress in the implementation of this plan and any changes it may require, explaining the grounds for them;
- immediately: any significant issues arising from the activities.

The Supervisory Body also has the duty to report, at least annually, on the implementation of the Model.

The Supervisory Body may also be invited to report periodically on its activities to the Sole Auditor and the Board of Directors.

Furthermore, depending on the circumstances, the Supervisory Body must:

1) communicate the outcome of its assessments to the heads of the individual functions and/or processes, if any aspects requiring improvement arise from its activities. In this case, the Supervisory Body must obtain from the process owners an action plan, with timing, for the activities requiring improvement, as well as the specifications of the necessary operational changes to implement them;
2) report any conduct/actions that are not in line with the Ethical Code and the procedures and/or protocols of the Company, in order to:
   i) acquire all the details for any reporting to the relevant bodies for the evaluation and application of disciplinary sanctions;
   ii) prevent the recurrence of such events, giving instructions to eliminate any inconsistencies.

The activities indicated in point 2) must be reported by the Supervisory Body to the Board of Directors as soon as possible, also requesting the support of the other corporate bodies, which may cooperate in the assessment and definition of actions aimed at preventing the recurrence of such circumstances.

The Supervisory Body is bound to immediately inform the Board of Directors if any breach involves Senior Managers of the Company or the Sole Auditor and, also, if the breach involves the members of the Board of Directors themselves.

Copies of the relevant minutes shall be kept by the Supervisory Body and the bodies involved from time to time.

3.3.1 Information flows

The Supervisory Body shall be informed, through clearly identified information flows from those required to comply with the Model, about any fact that might be useful for effectively attending to its supervisory role or about any events that could potentially lead to liabilities for Sammontana Finanziaria under the Decree.

In this regard, the following information must be communicated to the Supervisory Body (so-called "**Information Flows** "):

- on a periodic basis, information, data, news and documents previously identified by the Supervisory Body, in accordance with the procedures and timing it defines;
- within the scope of the auditing activities of the Supervisory Body, any information, data, news, and document deemed useful and/or necessary for performing any checks, as previously identified by the Body itself and formally requested from the individual Departments/Functions;
- occasionally, any other information on the implementation of the Model in areas prone to potential offences, and on the compliance with the provisions of the Decree, which may be helpful for the Supervisory Body to perform its activities.

In addition to the above, the Supervisory Body must be informed with regard to:

- any criminal or disciplinary proceedings initiated following reports of violation of the Model;

- any sanction imposed (including measures applied against employees) or any decision to dismiss such proceedings with the relevant motivation;
- any inspection or action undertaken by any public supervisory authority.

Finally, the Supervisory Body shall receive periodic information flows from the person officially charged with managing the channel ("**Whistleblowing Officer**") with regard to all whistleblowing reports received (including those that do not fall under the scope of Law Decree "231" or that have been deemed as "not related to whistleblowing"), in order to verify the proper operation of the system, with a view to continuously improving the Model (in case of malfunction of the internal reporting channel).

More specifically:

- the Whistleblowing Officer shall periodically submit to the Supervisory Body an account of those reports that do not fall under the scope of Law Decree "231". In conducting such activity, confidentiality must be maintained regarding the identity of the whistleblower, the facilitator, the person involved or any individual mentioned in the report, as well as the content of the report and of any document attached to it. This confidentiality requirement also extends to any piece of information or content of the report from which the identity of the whistleblower may be directly or indirectly inferred.
- conversely, if the report falls within the scope of Law Decree 231, the Ethical Code and/or the Model adopted by the Company, the Whistleblowing Officer is required to involve the Supervisory Body at the outset of the investigation process. Please refer to paragraph 3.3.2 of this Model for further details.

To receive information Flows, the Supervisory Body has set up the following e-mail address odv@sammontanafinanziaria.it which is accessible only to its members. Failure to send information to the Supervisory Body constitutes a violation of this Model.

To streamline information flows, the Supervisory Body has developed the "Information Flow Procedure to the SB" (Annex n. "4") which lays down the scenarios and operational rules for Information Flows. Its purpose is to ensure that communications from the Company's Departments, Corporate Functions/Addressees of the Model to the Supervisory Body are consistent, specific and objective thanks to a standardized procedure.

3.3.2 Managing Reports

The Whistleblowing Decree amended Article 6, paragraph 2-bis, of Law Decree 231/2001 and repealed paragraphs 2-ter and 2-quater of the same Article. In particular it requires Models to envision the following:

- internal reporting channels that ensure, also by means of encryption systems, that the identity of the whistleblower, of the person involved and of whoever is mentioned in the report is kept confidential along with the content of the report and the relevant documentation;
- protection of confidentiality and a prohibition of any form of retaliation against the whistleblower;
- a disciplinary system (Annex n. "3") for the enforcement of sanctions in case of failure to comply with the requirements of the Model, the Ethical Code and with the provisions set forth in the Whistleblowing Decree.

To comply with the requirements of the Whistleblowing Decree, Sammontana adopted its own internal reporting channel - the "Platform" - that can be accessed via the following link https://sammontanaitalia.integrityline.com/ Furthermore, it appointed as Whistleblowing Officer an external firm tasked with receiving and managing internal reports

The procedure for managing internal reports, i.e. the requirements and methods for collecting, handling and storing them, the prerequisites for making external reports as well as the information flows between the Whistleblowing Officer appointed by the Company and the other corporate entities/ functions that, depending on the nature of the report, may be involved in the management process, are governed by the Whistleblowing Procedure attached to this Model (Annex n. "5"), the content of which is hereby fully referenced.

In this regard, in case of reports that fall within the scope of Law Decree 231, the Ethical Code and/or the Model adopted by the Company, the Whistleblowing Officer shall involve the Supervisory Body which will conduct an assessment of the facts and carry out further investigations, as deemed necessary, also with the support of the Company's control functions, in full compliance with the confidentiality and personal data protection requirements pursuant to Articles 12 and 13 of the Whistleblowing Decree.

3.3.3 Information collection, storage and filing

Information flows are stored by the Supervisory Body in a special database and/or a paper archive.

The data and information stored in the database are made available to individuals outside the Supervisory Body, subject to its prior authorisation.

All reports that fall within the scope of Law Decree 231, the Ethical Code and/or the Model adopted by the Company, thus requiring the involvement of the Supervisory Body, shall be stored on the Platform, in full adherence with the provisions of the Whistleblowing Decree and the Whistleblowing Procedure.

3.3.4 Bylaws of the Supervisory Body

See Annex "2" below.

3.4 SANCTION SYSTEM

Pursuant to Articles 6(2)(e) and 7(4)(b) of the Decree, the Model can be effectively implemented only if it provides for a disciplinary system intended to sanction any non-compliance with the measures included therein.

This disciplinary system applies to Directors, the Sole Auditor, members of the Auditing Firm and of the Supervisory Body, employees and managers as well as to third parties that are in a contractual relationship with the Company and provides for adequate disciplinary sanctions.

The definition of a system of sanctions applicable in case of violation of the provisions of this Model is a necessary condition to ensure the effective implementation of the Model itself, as well as an essential prerequisite to allow the Company to benefit from the exemption from administrative liability.

In general, violations can be attributed to the following behaviours and classified as follows:

- behaviours that involve a negligent failure to implement the Model provisions, including directives, procedures, or instructions;
- behaviours that involve wilful violation of the Model provisions and undermine the relationship of trust between the perpetrator and the Company, as it is uniquely designed to commit an offence.

The violation of the rules of conduct in the Ethical Code and the measures provided for by the Model on the part of any employees of the Company at any level, including managers, constitutes a failure to comply with the obligations arising from the employment relationship, pursuant to Articles 2104 and 2106 of the Italian Civil Code.

The application of disciplinary sanctions is independent of the outcome of any criminal proceedings, since the rules of conduct, internal protocols and procedures are binding on the Addressees, regardless of whether an offence is actually perpetrated as a consequence of the behaviour of the person involved.

Sanctions shall be calibrated depending on how serious the relevant conduct is, taking into account the following criteria:

- the extent to which the inappropriate conduct was actually intentional (wilful misconduct) or the degree of negligence, imprudence or lack of skills evidenced by such misconduct;
- the greater or lesser deviation from the proper conduct;
- the past behaviour of the perpetrator, in particular, whether he/she has already been punished with disciplinary measures
- the extent of the danger and/or consequences caused by the violation;
- the role and duties of the perpetrator;
- the circumstances, reasons, time, place and context in which the violation was committed;
- any evidence of multiple violations resulting from the same conduct; or the repetition of the same violation;
- the conduct of the perpetrator after the violation.

In any case, the sanctioning procedure is left to the competent Department/Function and/or corporate bodies.

Furthermore, pursuant to the Whistleblowing Decree, the sanctioning procedure shall also apply to:

- whoever is found responsible for any act of retaliation or, in any case, of illegitimate prejudice, whether directly or indirectly, against the whistleblower and other protected individuals for reasons that are directly or indirectly related to the report;

- whoever violates the confidentiality obligation with respect to the identity of the whistleblower, the facilitator, the person involved or other individuals mentioned in the report as well as with respect to the content of the report and of the attached documentation;

- whoever has hampered or attempted to hamper the reporting process;
- the person against whom the report is made, for the ascertained liabilities;
- anyone who submitted an unfounded report with wilful intent or gross negligence.

In case that a disciplinary action is initiated following a report, the identity of the whistleblower shall not be disclosed to the perpetrator of the violation if the disciplinary charge is based on findings that are distinct from and additional to the report, even though they have resulted from it.

In case that the disciplinary charge is based, in whole or in part, on the report and knowledge of the whistleblower's identity is indispensable for the alleged perpetrator's defence, the report can be used for the purposes of the disciplinary proceedings only if the whistleblower expressly consents to disclose his/her identity.

In such a case, in addition to requesting the whistleblower's consent, the Whistleblowing Officer shall also communicate in writing the reasons why it is necessary that the whistleblower's identity be disclosed.

3.4.1 Measures against Employees including those in managerial positions

Article 2104 of the Italian Civil Code, which enshrines the worker's duty of "obedience," provides that the employees must observe both legal and contractual provisions in performing their work. Any failure to comply with such provisions entails disciplinary sanctions by the Employer according to the severity of the breach, in compliance with the provisions of the applicable CCNL (National Collective Bargaining Agreement.

The disciplinary system adopted by Sammontana Finanziaria reflects the limits to the power to impose disciplinary sanctions as set out in Law no. 300 of 1970 (the so-called Italian "*Statuto dei Lavoratori*" - Workers' Charter) and the collective bargaining agreement for the industry, both with regards to the sanctions that can be imposed and the manner of exercising such power.

In particular, the disciplinary system is based on the following principles:

a) information about this system is duly circulated by displaying it in a place accessible to employees and can be shared in specific training and awareness programmes;

b) the sanctions comply with the principle of proportionality with respect to the offence, pursuant to Art. 2106 of the Civil Code, as defined in the collective bargaining agreement for the industry;

c) suspension from service and pay may not exceed three days;

d) the right of defence is ensured to the workers who are accused of misconduct.

3.4.2 Measures against Directors, the Sole Auditor, members of the Supervisory Body and of the Auditing Firm

In case of a violation by Sammontana Finanziaria's Directors of the principles contained in the Model, in the procedures referenced therein, including the Whistleblowing Procedure, and in the Ethical Code adopted by the Company, the Whistleblowing Officer will notify the Board of Directors and the Sole Auditor, who shall take appropriate measures as required by current legislation.

The same procedure will apply to violations committed by the Sole Auditor or by members of the Auditing Firm.

In case that a violation is committed by a member of the Supervisory Body, the same procedure will be applied, but the decision will rest with the Board of Directors.

For further details, refer to Annex 3 - "Disciplinary System" - of this Model.

3.4.3 Measures against external parties: collaborators, consultants and other third parties

Any behaviour by collaborators, consultants or other parties who have a contractual relationship with Sammontana Finanziaria on a freelance basis that contravenes any of the provisions and principles established by Law Decree 231, the Model, the Ethical Code, the Whistleblowing Decree and the Whistleblowing Procedure, may give rise, if envisaged by the contractual clauses contained in the letter of engagement, to the termination of their contractual relationship, without prejudice to the Company's right to seek compensation for damages as a consequence of that behaviour, regardless of whether the contractual relationship is terminated.

3.4.4 The Disciplinary System

See Annex "3" below.

4 TRAINING AND DISSEMINATION OF THE MODEL

Sammontana Finanziaria being aware of the importance of awareness and training for prevention purposes, has put in place information and training programmes aimed at providing all Addressees with an understanding of the main contents of the Decree, the Whistleblowing Decree and of all obligations ensuing thereof as well as of the provisions set forth in the Model and in the Whistleblowing Procedure.

With regard to the dissemination of the Model, the Ethical Code and the Whistleblowing Procedure within the Company, the Human Resources Function shall:

- send a communication to all personnel with regard to the adoption of this Model and the Ethical Code, as well as the appointment of the Supervisory Body;
- send a communication to all personnel informing them about the implementation of the Platform to be used as an internal reporting channel and the appointment of the Whistleblowing Officer
- publish the Model and the Ethical Code on the company intranet and/or any other communication tool deemed appropriate;

The Legal Affairs Department shall organize training activities aimed at disseminating knowledge about Law Decree 231/2001, the Whistleblowing Decree and the provisions of the Model, the Ethical Code and the Whistleblowing Procedure, and schedule training sessions for personnel, also whenever the Model is updated and/or amended, in the manner deemed most appropriate.

The depth of the awareness and training programmes on the Model for employees shall depend on their degree of involvement in the activities prone to offences and in relation to their respective powers and responsibilities.

In any case, training activities to promote awareness of Law Decree no. 231/2001 and the Model will be different depending on the contents and methods of dissemination, the role of the Addressees, the level of risk of the area in which employees operate and whether or not they cover representative and management functions in the Company.

As a general rule, training activities are structured as follows:

- managers and representatives of the Company and the staff who directly report to them: initial induction workshop offered regularly to all newly-hired employees; annual update meeting; occasional e-mail updates; information with the recruitment letter for newly-hired employees;
- other personnel: internal information memo; information with the recruitment letter for newly-hired employees; occasional e-mail updates.

Training and dissemination activities involve all current personnel and all the staff that will from time to time become part of the corporate organization. In this regard, the relevant training activities are planned and delivered both upon hiring and whenever employees are assigned new tasks and, also, following updates and/or amendments to the Model or the whistleblowing channel and the relevant procedure.

The Company provides compulsory continuous training to all employees, including new hires, not only in areas closely related to the so-called "*231 compliance*" but also on topics and issues that are in any case connected to the prevention-related objectives of the Decree, such as, for example, those concerning health and safety in the workplace and environmental protection.

Reports concerning information and training activities are kept by the Recruitment, Training and Development Manager of Sammontana S.p.A and is available for consultation by the Supervisory Body and anyone authorized to review it.

4.1. INFORMATION TO EXTERNAL PARTNERS

Some individuals who are not part of Sammontana Finanziaria's staff (for example consultants) are also provided with information on the policies and procedures adopted on the basis of this organization Model, as well as the texts of the contract clauses commonly used in this regard.

5 ADOPTION AND UPDATING OF THE MODEL

The adoption of the Model falls under the responsibility of the Board of Directors.

Subsequent material amendments and/or additions to this Model shall, therefore, also be approved by the Board of Directors of the Company through a resolution issued according to the procedures provided for the adoption of the Model itself.

Any updating, be it an integration or change, is aimed at ensuring the fairness and suitability of the Model, with regard to its objective of preventing the potential offences provided for by Law Decree 231/2001.

However, the Supervisory Body is responsible for checking that any update of the Model is indeed necessary or advisable.

The Supervisory Body, within its powers under art. 6, paragraph 1, letter b) and art. 7, paragraph 4, letter a) of the Decree, is also responsible for submitting proposals for updating and adapting this Model to the Board of Directors.

Any amendments, updates and additions to the Model must always be reported to the Supervisory Body.

Operational procedures intended for the implementation of this Model are amended by the relevant corporate functions, should they prove ineffective for the correct implementation of its provisions. The competent corporate functions shall amend or supplement the procedures in order to implement any changes to the Model.

The Supervisory Body is consistently updated about any changes to the existing procedures and the implementation of new ones.

Amendments to the Model may typically result from:

- significant violations of the Model's provisions;
- identification of new risk areas/sensitive activities and instrumental/functional processes which can lead to offences associated with new activities of the Company or changes to those already identified;
- organizational changes that have any impact on the Model;
- identification of potential areas for improvement of the Model found by the Supervisory Body after its periodic auditing activities.

If only formal amendments, such as clarifications or text specifications, are required, the Chairman of the Board of Directors may make them autonomously, following the proposal of the Supervisory Body or after consultation with it. The entire Board of Directors must be subsequently notified of such changes during its next convenient meeting.

Any amendments that affect the composition, term of office and operation of the Supervisory Body, as well as the rules of the disciplinary system shall qualify as material amendments.