



**ORGANISATION, MANAGEMENT AND CONTROL MODEL  
PURSUANT TO (IT.) LEGISLATIVE DECREE NO. 231 OF 8 JUNE  
2001**

APPROVED BY THE BOARD OF DIRECTORS

## General

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# 1 DEFINITIONS

- **BOTTERO** or **Company**: means BOTTERO S.p.A.;
- **“CCNL”**: National Collective Bargaining Agreement currently in force and applied by BOTTERO;
- **“BoD”** or Board of Directors: means the Board of Directors of BOTTERO;
- **Board of Statutory Auditors**: means the Board of Statutory Auditors of BOTTERO;
- **“Code of Conduct or Code of Ethics”**: code of ethics adopted by BOTTERO;
- **“Consultants”**: those who act in the name and/or on behalf of BOTTERO; on the basis of a mandate or other collaboration relationship;
- **Collaborator(s)**: means consultants, external collaborators, commercial/financial partners, agents, proxies, and, in general, third parties who operate on behalf of or, in any case, in the interest of BOTTERO on the basis of a mandate or other collaboration relationship;
- **“(It.) Legislative Decree 231/2001”** or **“Decree”**: (It.) Legislative Decree no. 231 of 8 June 2001 and subsequent amendments;
- **“Recipients”**: the Employees, Consultants, Partners, Service Companies, Corporate Bodies, and any other collaborators in any form of BOTTERO;
- **Top Management**: persons who hold positions of representation, administration, or management of the Company or of one of its units with financial and functional autonomy, as well as persons who exercise, even de facto, the management and control of the Company;
- **Subordinate Subjects**: persons subject to the direction or supervision of one of the members of Top Management and, therefore, in essence, all subjects who have an employment relationship with the Company;
- **“Employee”** or **“Employees”**: all employees of BOTTERO; (including any managers);
- **“Guidelines”**: the Guidelines for the construction of organisation, management and control models pursuant to (It.) Legislative Decree 231/2001 approved by Confindustria on 7 March 2002 and subsequent updates;
- **“Models”** or **“Model”**: the models or the model of organisation, management and control envisaged by (It.) Legislative Decree 231/2001. meaning this organisation, management, and control model prepared to prevent offences pursuant to articles 6 and 7 of the Decree, to supplement the organisational and control tools in force at the Company (Code of Ethics, Operating Provisions, Service Orders, Organisation Charts, proxies, operational manuals, mapping of crime risks;

- **“Corporate Bodies”**: the members of the Board of Directors of BOTTERO;
- **“Supervisory Body”** or **“SB”**: internal body responsible for supervising the functioning of and compliance with the Model and its update;
- **“P.A.”** or **“PA”**: the Italian and/or foreign Public Administration, including its officials and persons in charge of public service;
- **“Partners”**: contractual counterparties of BOTTERO, such as suppliers, agents, business partners, occasional and permanent retailers, both natural and legal persons, with whom the Company reaches any form of contractually regulated collaboration (purchase and sale of goods and services, Temporary Business Association, joint ventures, consortia, etc.), where intended to cooperate with the company in the context of Sensitive Processes;
- **“Sensitive Processes”** or **“sensitive processes”**: BOTTERO activities where the risk of committing Offences occurs;
- **“Sensitive Transaction”**: transaction or act that is part of the Sensitive Processes and may have a commercial, financial, technical-political or corporate lobby nature (as for the latter category, examples are: capital reductions, mergers, demergers, transactions on the shares of the controlling legal entity, contributions, restitution to shareholders, etc.);
- **“Crime”** or **“Crimes”**: the offence or offences to which the discipline provided for by (It.) Legislative Decree 231/2001 and subsequent amendments and additions applies;
- **“Rules and General Principles”**: the rules and general principles referred to in this Model;
- **“Service Company”**: third-party Companies that carry out service activities in favour of BOTTERO.
- **TUF [Single Act on Finance]**: indicates (It.) Legislative Decree of 24 February 1998, no. 58.

## **2 INTRODUCTORY NOTE TO THE MODEL PURSUANT TO (IT.) LEGISLATIVE DECREE 231/01 version 2022**

Depending on changes in the organisation and the introduction of new types of offence from which derives administrative liability pursuant to (It.) Legislative Decree 231/01, the Company, at the instigation of its Supervisory and Control Body, in 2021 provided a documentary analysis of the model pursuant to (It.) Legislative Decree 231/01.

The outcome indicated that the structure and contents of the model were to be updated to reflect the necessary organisational, jurisprudential, and regulatory updates.

The company has therefore decided to update the model in two distinct and sequential stages:

1. In the first stage, the model will be updated concerning the new types of the predicate offence, using, for these cases, a methodology that incorporates the most recent jurisprudence on the subject. Consequently, different Risk Assessment and Gap Analysis methodologies will coexist for different types of offence.
2. In the second stage, we will proceed to a new mapping of sensitive processes and the related analysis of the risks of all the predicate offences pursuant to (It.) Legislative Decree 231/01, then giving rise to a total revision of the model pursuant to (It.) Legislative Decree 231/01, which is updated to the most recent organisational and regulatory structure.

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## 3 PURPOSES AND LEGAL PRINCIPLES

### 3.1 (It.) Legislative Decree of 8 June 2001, no. 231

With (It.) Legislative Decree of 8 June 2001, no. 231, containing the “*Regulation of the administrative liability of legal persons, companies and associations, even without legal status, pursuant to Article 11 of (It.) Law of 29 September 2000, no. 300*” (hereinafter, for the sake of brevity, the “**Decree**”), which came into force on the following 4 July, the Legislator intended to adapt the internal regulations in matters of the liability of legal persons to international conventions which Italy had adopted for some time, such as the *Brussels Convention of 26 July 1995* on the protection of the financial interests of the European Community, the *Convention of 26 May 1997*, also signed in Brussels, on combating corruption involving European Community or member state functionaries, and the *OECD Convention of 17 December 1997* on combating corruption of foreign public officials in economic and international operations.

The Decree introduced in Italian legislation a system of administrative liability (broadly equivalent to criminal liability) for legal persons (hereinafter, for the sake of brevity, referred to as “**Entities**”) for offences committed in the interest or to the advantage thereof, added to the one of the person who materially committed the offence. The liability under the Decree also applies in relation to offences committed abroad, provided they are not subject to direct proceedings by the State in whose territory the offence was committed.

The Decree introduced in Italian legislations the administrative liabilities of the Entities for some offences committed in their interest:

- a) by the so-called persons in top management positions, i.e. representatives, directors, or managers of the Entity or one of its organisational units with financial and functional autonomy, as well as by persons who exercise, including de facto, management and control of the entity;
- b) by the so-called subordinates, i.e. persons under the management or supervision of one of the subjects referred to in letter a) (in substance, in the case of companies, the employees of the Entity).

It is an extension of the liability that involves, in addition to the person who physically committed the act, the Entities that benefited from the commission of the offence or in whose interest the offence was committed in the punishment of some criminal offences. The “advantage” or “interest” represents two distinct criteria for imputation of liability as the Entity may be liable for the sole fact that the offence is committed in its interest, regardless of whether or not a distinct advantage is obtained.



The administrative liability of Entities applies to the categories of offences expressly envisaged in the Decree and may also arise in relation to offences committed abroad, provided that the State in whose territory the act was committed does not take steps against such offences. In addition, commission in the form of an attempt is also punishable.

### **3.1.1 Predicate offences**

The liability of the Entity arises only in relation to the commission of some specific offences envisaged by the Decree, as well as by various subsequent legislative provisions that have, from time to time, expanded the list contained in the Decree. The intention of the Legislator seems to be to constantly extend the application of the Decree to new offences.

The types of offences that are likely to constitute an administrative liability of the Entity pursuant to the Decree (hereinafter, for the sake of brevity, the “**Offences**”) are specifically indicated in **Annex 1**.

These are currently the following cases:

- a) Undue receipt of disbursements, fraud to the detriment of the State or a public body or the European Union or for the achievement of public disbursements and computer fraud to the detriment of the State or a public body and fraud in public supplies (Article 24 of (It.) Legislative Decree 231/01);
- b) Computer crimes and unlawful processing of data Article 24-bis of (It.) Legislative Decree 231/01 - amended by: (It.) Legislative Decree 7/2016;
- c) Organised crime (Article 24-ter of (It.) Legislative Decree 231/01) updated following the entry into force of (It.) Law 62/2014, which amended Article 416 - ter of the (It.) Penal Code “political-mafia vote-rigging” and by (It.) Law 236/2016;
- d) Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office (Article 25 of (It.) Legislative Decree 231/01, updated following the entry into force of (It.) Law 190/2012, which amended the heading and paragraph 3 of Article 25 of (It.) Legislative Decree 231/01 known as “extortion by inducement”, by (It.) Law of 09.01.2019 no. 3 introduces the offence “trafficking in illicit influences” pursuant to Article 346-bis of the (It.) Penal Code and (It.) Legislative Decree no. 75/2020 implementing what is known as the PIF Directive);
- e) Counterfeiting of money, in legal tenders, tax stamps, and identification instruments or signs (Article 25 - bis of (It.) Legislative Decree 231/01) amended by (It.) Law 99/2009 and (It.) Legislative Decree 125/2016 of 21/06/2016 which amended Articles 453 and 461 of the (It.) Penal Code;
- f) Crimes against industry and commerce (Article 25 - bis1 of (It.) Legislative Decree 231/01);

- g) Corporate crimes and corruption between private individuals (Article 25 - ter of Legislative Decree. 231/01) updated following the entry into force of (It.) Law 190/2012, which introduced the letter s-bis in paragraph 1 of Article 25 - ter of (It.) Legislative Decree 231/01 “corruption between private individuals”, since the entry into force of (It.) Law 69/2015 “Provisions on crimes against the public administration, mafia-type associations and false financial statements”, by (It.) Legislative Decree 38/2017 of 15/03/2017, which modified the offences relating to corruption between private individuals (repeal of the concept of *harm*) and indirectly by (It.) Law of 09.01.2019 no. 3, which further modified the offences of corruption between private individuals by repealing the prosecution for complaint, envisaging prosecution ex officio;
- h) Crimes with the purpose of terrorism or subversion of the democratic order (Article 25 - quarter of (It.) Legislative Decree 231/01);
- i) Female genital organ mutilation practices (Article 25 - quater<sup>1</sup> of (It.) Legislative Decree 231/01);
- j) Crimes against individual personality (Article 25 - quinquies of (It.) Legislative Decree 231/01) updated by (It.) Law 38/2006 and following the entry into force of (It.) Legislative Decree 39/2014 “Implementation of Directive 2011/93 / EU on combating the sexual abuse and sexual exploitation of children and child pornography” by (It.) Law 199/2016, which amended Article 603 - bis of the (It.) Penal Code;
- k) Market abuse (Article 25-sexies of (It.) Legislative Decree 231/01);
- l) Manslaughter or serious or very serious injuries committed with violation of the rules on the protection of occupational health and safety (Article 25 - septies of (It.) Legislative Decree 231/01);
- m) Receiving stolen goods, money laundering and use of money, goods or benefits of illicit origin, as well as self-laundering (Article 25 - octies of (It.) Legislative Decree 231/01) updated following the entry into force of (It.) Law 186/2014 “Provisions on the detection and re-entry of capital held abroad as well as for the strengthening of the fight against tax evasion. Provisions on self-laundering”, amended by (It.) Legislative Decree 90 of 25 May 2017;
- n) Crimes relating to non-cash payment instruments (Article 25 - octies<sup>1</sup>);
- o) Crimes concerning copyright infringement (Article 25 - novies);
- p) Inducement not to make statements or to make false statements to the judicial authority (Article 25 - decies of (It.) Legislative Decree 231/01);
- q) Environmental crimes (Article 25 - undecies of (It.) Legislative Decree 231/01) updated following the entry into force of (It.) Law 68/2015 “Provisions on crimes against the environment”, by (It.) Legislative Decree 21/2018 which repealed Article 260 of (It.) Legislative Decree of 3 April 2006, no. 152 faithfully transposed in Article 452 - quaterdecies of the (It.) Penal Code and (It.) Law no. 12 of 11/02/2019 (conversion into law of (It.) Decree Law of 14.12.2018 no. 135) which repeals from 1 January 2019 the waste traceability control system

(SISTRI) referred to in Article 188 - ter of (It.) Legislative Decree of 3 April 2006, no. 152 and, consequently, Article 260 - bis of (It.) Legislative Decree 152/2006, which contained several detailed aspects of the SISTRI regulation);

- r) Employment of illegally residing third-country nationals (Article 25 - duodecies of (It.) Legislative Decree 231/01) introduced by (It.) Legislative Decree 109 of 16/07/2012 and amended by (It.) Law no.161 of 17.10.2017);
- s) Racism and Xenophobia (Article 25 - terdecies) introduced by (It.) Law no.167 of 20.11.2017, amended by (It.) Legislative Decree 21/2018 of 01.03.2018 – “Provisions implementing the principle of delegation of criminal matters to the Penal Code”, which amended the (It.) Penal Code and Article 25 - terdecies (Racism and xenophobia);
- t) Fraud in sports competitions, abusive operation of gambling or betting and games of chance carried out by means of prohibited devices (Article 25 - quaterdecies) introduced by (It.) Law of 3 May 2019, no. 39;
- u) Tax Crimes (Article 25 - quinquiesdecies) introduced by (It.) Law of 19 December 2019, no. 157 Conversion into law of (It.) Decree Law of 26 October 2019, no. 124 “Urgent provisions on tax matters”, amended by (It.) Legislative Decree no. 75 of 14 July 2020 “Implementation of EU Directive 2017/1371 on the fight against fraud to the Union’s financial interests by means of criminal law” (known as PIF Directive);
- v) Smuggling Article 25 - sexesdecies introduced by (it.) Legislative Decree no. 75 of 14 July 2020 “Implementation of EU Directive 2017/1371 on the fight against fraud to the Union’s financial interests by means of Criminal Law” (known as PIF Directive);
- w) Crimes against the cultural heritage (Article 25 - septiesdecies) introduced by (It.) Law of 9 March 2022, no. 22 concerning “Provisions on offences against the cultural heritage”;
- x) Recycling of cultural property and destruction and looting of cultural and landscape goods (Article 25 - duodevicies) introduced by (It.) Law of 9 March 2022, no. 22 concerning “Provisions on offences against the cultural heritage”;
- y) Transactional offences<sup>1</sup>

### **3.1.2 Indictment criteria**

In order to also classify the criminal activity of a person holding a top management position or a subordinate as an administrative liability of the Entity to which the subjects belong, it is necessary that the Offence was committed in the interest or for the benefit of such Entity. It follows that the Entity is not liable for crimes committed by natural persons in their own exclusive interest or in that of third parties.

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<sup>1</sup> This type of offence was introduced by (It.) Law no. 146 of 16 March 2006.

### 3.1.3 Sanctions

The Decree establishes a structured system of administrative sanctions in the event that the Entity is liable for an Offence committed by one of its representatives. This system provides for four types of sanctions, applicable in the event of a final conviction:

- (i) financial penalties;
- (ii) disqualification sanctions;
- (iii) confiscation;
- (iv) publication of the sentence.

The financial penalties are imposed in any case of final conviction. The determination of the size of the sanction, pursuant to Article 10 of the Decree, is based on a complex quota system. Each quota amount ranges from a minimum of EUR 258.00 to a maximum of EUR 1,549.00. For each type of Offence, the Decree envisages the application of the pecuniary penalty up to a specific number of units.

The judge establishes the sanction to be imposed, based on the criteria established by Article 11 of the Decree, or based on the seriousness of the fact, on the degree of liability of the Entity, on the activity carried out by the Entity to limit or mitigate the consequences of the fact and prevent the commission of further Offences, on the economic and equity conditions of the Entity.

The disqualification sanctions consist of the following measures:

- disqualification from exercise of the activity;
- suspension or revocation of authorisations, licences, or concessions functional to the commission of the Offence;
- prohibition to contract with the Public Administration, except for obtaining the services of a public service;
- exclusion from incentives, loans, contributions, or grants and possible cancellation of those already obtained;
- ban on advertising goods or services.

The duration of disqualification sanctions cannot be less than three months, nor exceed two years. Their application is only envisaged for certain Offences. A condition for the imposition of disqualification sanctions is the recurrence of one of the following assumptions: (a) that the Entity has drawn a substantial profit from the Offence and, at the same time, that the Offence has been committed by a person in a top management position or, if committed by subordinates, that the commission of the Offence was facilitated by deficiencies in the organisation, management and control model adopted by the Entity; or, alternatively, (b) that the Offence has reoccurred.

In choosing the applicable disqualification sanction, the judge must follow the same criteria already seen above for pecuniary measures. In particular, the disqualification sanction must be specific, i.e. its object is the specific activity to which the Offence by the Entity refers. Among the various disqualification measures, the suspension of the exercise of the activity cannot be imposed unless the imposition of any other sanction is inadequate. It is also possible that more disqualification sanctions are applied jointly.

In cases where the conditions for imposing a disqualification sanction involving the interruption of the Entity's activity are met, if said Entity carries out a public service or a public utility service whose interruption can entail a serious prejudice for the community, or if the interruption of the activity, given the size of the Entity and the economic conditions of the territory in which it is located, may have significant repercussions on employment, it is envisaged that the judge may not order a disqualification sanction, but he/she may decide that the Entity's activity must be continued under compulsory administration for a period equal to the duration of the sanction that would have been inflicted.

Disqualification measures are, in principle, temporary. However, in the event that the same Entity is sentenced at least three times in the seven years following the temporary disqualification of the activity, and if it has obtained a substantial profit from the Offence, the Decree provides for the sanction of definitive disqualification from the exercise of the activity.

The confiscation of the price or profit of the Offence is always ordered in the event of conviction. When it is not possible to execute confiscation of assets that constituted the price or profit of the Offence, the confiscation may concern sums of money, property, or other assets of an equivalent value.

The publication of the sentence in one or more newspapers indicated by the judge at the expense of the sentenced Entity may be ordered by the judge in cases where a disqualification sanction is imposed.

### **3.1.4 Precautionary measures**

While waiting for criminal proceedings, upon request of the public prosecutor, the judge may order some of the disqualification measures described above as a precautionary measure. This may occur in the presence of serious indications of the Entity's liability and of well-founded and specific elements suggesting that there is a substantial likelihood that offences of the same nature as the one being prosecuted will be committed.

The precautionary measures may not last more than one year. Also at the preliminary stage, it is possible that the compulsory administration of the Entity will be applied for the entire term of the sanction that would have been applied, instead of disqualification sanctions.

### **3.1.5 Organisation, management and control models for the purpose of exemption from liability**

Article 6 of the Decree envisages a form of exemption from administrative liability if the Entity proves that:

- the governing body has adopted and effectively implemented, before committing the offence, *organisation, management and control models* suitable for preventing the commission of the criminal offences contemplated;
- it has appointed a so-called internal *supervisory body*, holding autonomous powers of initiative and control, with the task of supervising the functioning of and effective compliance with the organisation, management and control model, as well as of taking care of its update;
- the persons who committed the offence acted fraudulently;
- there was no omission or insufficient control by the supervisory body.

The Decree also envisages that the aforementioned organisation, management, and control models must meet the following requirements:

- identify the activities in which the possibility that the Offences are committed exists;
- provide specific protocols (i.e. procedures) aimed at planning the formation and implementation of the decisions of the Entity in relation to the Offences to be prevented;
- identify methods to manage the financial resources that are suitable for preventing the commission of Offences;
- provide information obligations towards the body in charge of supervising the functioning and observance of the organisation, management, and control model;
- introduce a disciplinary system suitable to sanction the failure to comply with the measures indicated in the organisation, management and control model.

The same Decree envisages that the organisation, management, and control models can be adopted, guaranteeing the aforementioned needs, based on codes of conduct drawn up by representative trade associations, communicated to the Italian Ministry of Justice, which, in agreement with the competent Ministries, can make observations within 30 days on the suitability of the organisation, management and control models for the purpose of preventing the Offences.

In accordance with this provision, Bottero, in preparing this Model, as hereafter defined, was inspired by the guidelines issued by Confcommercio as well as by those developed by Confindustria. However, it should be remembered that the indications contained herein represent a simple reference framework to

which every company can refer in order to adopt organisation, management and control models. These are suggestions that every company is free to draw inspiration from when developing organisation, management and control models. Each company must, in fact, adapt the guidelines to the specific business that characterises it and, therefore, to its size and to the specific activity it conducts, and consequently, each company must choose the technical methods to follow to adopt the organisation, management, and control model.

### 3.1.6 Confindustria guidelines

The “*Guidelines for the construction of organisation, management and control models pursuant to (It.) Legislative Decree 231/2001*”, approved by Confindustria in a first version on 7 March 2002 (hereinafter, for brevity, the “**Guidelines**”) <sup>2</sup>, and subsequently updated, can therefore be outlined according to the following fundamental points:

- A. identification of risk areas, i.e. of the company areas/sectors in which it is possible to bring about the prejudicial events envisaged by the Decree;
- B. preparation of a control system capable of preventing the commission of the Offences through the adoption of specific protocols. The most significant components of the preventive control system outlined by Confindustria with a separate reference to the intentional and negligent crimes provided for by (It.) Decree 231 are:
  - b. 1.) with reference to intentional offences:
    - code of ethics;
    - organisation system;
    - manual and IT procedures;
    - authorisation and signing powers;
    - control and management systems;
    - communication to staff and their training
  - b. 2.) with reference to non-intentional crimes regarding the protection of occupational health and safety and the environment, without prejudice to the control systems indicated for intentional crimes, these components are as follows:
    - Education and training;
    - Communication and engagement;
    - Operational management;
    - Monitoring system.
- C. information obligations by the supervisory body and towards the supervisory body.

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<sup>2</sup> The update in force as of June 2021 of the Reference Guidelines for the updating of this Model was considered by the Ministry “overall adequate and suitable for achieving the purpose set by Article 6, paragraph 3, of (It.) Legislative Decree no. 231/2001”

The components of the control system must be inspired by the following principles:

- verifiability, availability of documentary evidence, consistency, and congruence of each operation;
- application of the principle according to which the spending and control powers cannot be simultaneously delegated to anyone;
- documentation of the controls;
- provision of an adequate system of sanctions for the violation of the rules of the code of ethics and of the procedures envisaged by the organisation, management and control model;
- identification of the requirements of the supervisory body, including in particular: autonomy and independence, professionalism, and continuity of action.

The Guidelines have been the subject of subsequent updates, which are the result of the need to adapt the Guidelines to the subsequent legislative changes that have extended the applicability of (It.) Decree 231 to additional predicate offences.

It should be pointed out that failure to comply with the specific points of the aforementioned Guidelines does not invalidate an organisation, management, and control model, since it must be drawn up with reference to the actual business of the company and may well depart from the Guidelines which, by their nature, are general.



## 4 MODEL AND CODE OF ETHICS

The rules of conduct contained in this Model are consistent with the rules of the Code of Ethics adopted by the Company, although this Model has specific purposes in compliance with (It.) Legislative Decree 231/2001.

From this point of view, in fact:

- the Code of Ethics represents an instrument adopted autonomously and susceptible to the general application by the Company to express the principles of “corporate ethics” that the Company recognises as its own and with which it insists on compliance by all Employees, Corporate Bodies, Consultants, and Partners;
- the Model instead responds to specific requirements contained in (It.) Legislative Decree 231/2001, aimed at preventing the commission of particular types of offences (for facts that, apparently committed for the benefit of the company, may involve administrative liability for crimes based on the provisions of the Decree itself). The Model lays down rules and envisages procedures that must be respected to exonerate the Company for the purposes of the liability referred to in (It.) Legislative Decree 231/2001.

## 5 THE ORGANISATION, MANAGEMENT, AND CONTROL MODEL OF BOTTERO S.p.A.

### 5.1 Adoption of the organisation, management, and control model by Bottero

Bottero S.p.A. (hereinafter, for brevity, “**Bottero**” or the “**Company**”) considered it essential and in compliance with its corporate policy to adopt an organisation, management and control model pursuant to the Decree (hereinafter, for brevity, the “**Organisation and Management Model**” or the “**Model**”), so that all the Recipients of the Model, as defined hereafter, observe such behaviour as to prevent the risk of commission of the Offences envisaged by the Decree in the performance of their activities and services.

Bottero believes that the adoption of this Model, together with the simultaneous issue of a code of ethics (hereinafter, for the sake of brevity, the “**Code of Ethics**”), which forms an integral and substantial part of the Model, constitutes, beyond the provisions of the law, a further valid instrument for raising the awareness of all Recipients of the Model. All the foregoing shall ensure that, in the performance of their activities, the subjects above follow proper and transparent conduct in line with the ethical-social values that inspire Bottero in the pursuit of its corporate purpose and, in any case, sufficient to prevent the risk of commission of the Offences.

“**Recipients of the Model**” or “**Recipients**” means the Employees, members of the corporate bodies, members of Bottero auditing firm, and External Collaborators. “**Employees**” means Bottero employees (including managers). “**External Collaborators**” include agents, brokers, distributors, consultants, contractors, suppliers, intermediaries, collaborators in any capacity, and companies controlled by Bottero pursuant to Article 2359 of the (It.) Civil Code based in the national territory (the latter, for the sake of brevity, the “**Subsidiaries**”).

For the construction and preparation of this Model, Bottero has analysed its risk areas, taking into account, in drafting it, the requirements of the Decree and the Guidelines.

The Organisation and Management Model is approved and adopted by the Board of Directors of Bottero, in compliance with Article 6, paragraph 1, letter a), of the Decree.

Simultaneously with the approval and adoption of the Organisation and Management Model, the Board of Directors establishes the body responsible for supervising the functioning and observance of the Organisation and Management Model (hereinafter, for the sake of brevity, the “**Supervisory Body**”), in compliance with the provisions of the Decree.

## 5.2 The Company and its structure

In 1957, Mr Pasquale Bottero founded Bottero Costruzioni Meccaniche for the construction of machines for cutting and handling glass plates. In 1962, he laid the first stone of the current site, consisting of over 45,000 square meters covered. In 1966, he entered the hollow glass *business* by designing and building forming machines for the production of glass bottles and containers.

Over the years, Bottero has grown consolidating its global presence and diversifying technologies in other sectors. In the sector of glass technology alone, Bottero has more than 25,000 machines installed on five continents and in over 90 countries.

Bottero has 530 employees, 95 distributor agents, and 115 installation technicians.

### 5.2.1 The corporate purpose

In reference to the activities carried out by the company, we suggest reading the information of the “Certificate of Incorporation” in the last revision, in which the activity carried out indicates: the manufacture of other mechanical equipment and other machines of general use n.o.c., and the corporate purpose is attributed to the exercise of the mechanical and electronic industrial activities, the design and construction, manufacture and distribution of industrial and agricultural systems and machinery, as well as the exercise of similar or related activities; the provision of various services and consulting, and may also produce or transfer electricity deriving from the use of photovoltaic systems.

### 5.2.2 The organisation

The Bottero organisation is developed around technology and glass processing sectors, which constitute the structure of the Business Units related to the product lines currently marketed: Container Glass, Flat Glass (Standard and Systems) The organisation is characterised by a structured and transversal departmental architecture, with a direct approach to the top management by the Business Units and by the staff operational departments.

In order to make immediately clear the role and responsibilities of everyone in the corporate decision-making process, Bottero has developed a summary table which shows a graph of the entire organisational structure (Bottero S.p.A. Organisation Chart) with the areas in which the company activity is divided, and the hierarchical dependency lines of the individual corporate bodies. Said Chart is systematically updated based on the organisational changes implemented by Bottero Management.

### 5.3 Function of the Organisation and Management Model

This Model completes and supplements the set of rules of conduct, principles, policies, and procedures of Bottero, as well as all the existing organisational instruments and internal controls, with provisions that meet the purposes of the Decree for the specific purpose of reducing the risk of commission of the Offences contemplated therein.

The purpose of Bottero's Organisation and Management Model is, therefore, the preparation of a structured and organic system of prevention, deterrence, and control aimed at reducing the risk of committing offences by identifying sensitive activities and their consequent specific procedures. The control system currently operating in the company was taken into account in the preparation of this Model, where deemed appropriate to meet the purposes of preventing the risk of commission of Offences. The following elements have therefore also been evaluated:

- Bottero's certification system currently consists of the following standards: ISO 9001:2015 Quality Management System, Standard ISO 14001:2015 Environmental Management System, and Standard ISO 45001:2018 Occupational Health and Safety Management System and is managed by the Central Quality Department;
- the Bottero IT system is regulated through the ICT (Information Communication Technology) Department;

The Organisation and Management Model aims to:

- make all Recipients of the Model aware that the commission (and also the attempted commission) of an Offence - even if carried out for the benefit or in the interest of Bottero - represents a violation of the Organisation and Management Model and the Bottero Code of Ethics and constitutes a criminal offence punishable by criminal and administrative penalties, not only against the offender but also against Bottero;
- identify the areas at risk of commission of crimes through an in-depth analysis of the activities carried out, of the existing procedures and controls, of the practice, of the authorisation levels;
- reiterate that such conduct is strongly condemned by Bottero as contrary, in addition to regulatory provisions, also to the rules and rules of conduct by which Bottero is inspired and by which it abides in the conduct of its business;
- prevent the risk of commission of Offences through the adoption of procedural principles aimed at ensuring compliance with the principles of control as defined hereafter;
- allow a constant verification of the functioning of the Model with consequent periodic updates;
- allow the monitoring of areas of activity at risk of Offences and timely intervention to prevent the commission of Offences;

- explain the composition, roles, and functioning of the Supervisory Body, with the assignment thereto of the tasks envisaged by the Decree and the granting of powers such as to guarantee its full and effective operation, both in terms of autonomy and available means;
- prepare information and communication flows to the Supervisory Body and from said body;
- promote awareness, training, and dissemination activities among all Recipients of the Model, behavioural rules and internal processes and procedures aimed at governing, preventing the commission of Offences and controlling activities at risk, also through an adequate communication system, dissemination, and training;
- adopt a specific disciplinary system suitable for pursuing and sanctioning violations of the Organisation and Management Model.

## 5.4 Control principles of the Organisation and Management Model

The Model is based on the following control principles, applicable with particular reference to Sensitive Activities (as defined in paragraph 2.8.1):

- every operation, transaction, action must be verifiable, documented, coherent, and congruous: for each operation there must be adequate documentary support that allows, at any time, the execution of controls which certify the characteristics and reasons for the operation and identify who authorised, performed, recorded, and verified said operation. Adequate security measures are adopted to minimise the risks of destruction or loss, even accidental, of data, unauthorised access or processing that is not permitted or does not comply with the law;
- no one can independently manage an entire process: the observance of this principle is guaranteed by the application of the principle of separation of functions and tasks applied within Bottero, according to which different persons and functions have the responsibility to authorise an operation, to account for it, to carry out the operation, and/or to control it. Furthermore, no one is given unlimited powers; powers and responsibilities are defined and disseminated within Bottero; authorisation and signing powers are consistent with organisational responsibilities;
- the controls must be documented: the control system is supported by adequate documentation relating to the controls and supervision.

## 5.5 Structure of the Organisation and Management Model

The Organisation and Management Model and the Bottero Code of Ethics must be understood as an expression of a single body of rules adopted by Bottero to promote the high moral principles of fairness, honesty, and transparency in which Bottero believes and by which it is inspired in carrying out its activities.

The Model is supplemented, in addition to the principles and provisions contained in the Code of Ethics, by

the set of *policies* and procedures formalised and already applied within Bottero and by the system of delegations and powers.

The procedures, in their last revision, are available within the intranet portal of BOTTERO, as well as in the individual departments where a special list is kept in hard copy and periodically updated.

For the purposes of this Model, all the discipline and control instruments already operating in Bottero that constitute an integral and substantial part of this Model are referred to expressly and in full.

The Model consists of:

- this “General Part”, which illustrates the contents of the Decree, the function of the Organisation and Management Model, the tasks of the Supervisory Body, the disciplinary system, and, in general, the principles, logic, and structure of the Model itself;
- the “Special Part”, divided into sections, which refers to the specific types of Offence analysed during the *risk analysis* activities and to the Sensitive Activities identified therein, for the purpose of preventing the Offences envisaged by the Decree:
  1. SPECIAL PART A: Offences in relations with the public administration;
  2. SPECIAL PART B: Corporate offences;
  3. SPECIAL PART C: Offences relating to occupational health and safety;
  4. SPECIAL PART D: Money laundering crimes;
  5. SPECIAL PART E: Computer crimes and unlawful processing of data and Offences relating to copyright infringement;
  6. SPECIAL PART F: Environmental Offences;
  7. SPECIAL PART G: Offences relating to counterfeiting of trademarks and patents;
  8. SPECIAL PART H: Smuggling offences;
  9. SPECIAL PART I: Tax offences;
- the list of Offences (Annex 1);
- the Code of Ethics (Annex 2).

The General Part, the Special Part, and the Annexes constitute an integral and substantial part of the Model.

## **5.6 Changes and updating of the Organisation and Management Model**

The Model is adopted by the Bottero Board of Directors, whose authority includes the amendments thereof and additions thereto, which may be appropriate or necessary concerning new legal provisions or following some changes in the organisational structure and/or the company business.

Proposals for amendments and supplementation of the Model may be presented by the Supervisory Body to the Board of Directors after consulting the competent corporate departments.

The company, since the entry into force of (It.) Legislative Decree no. 231/2001 with the title: “Rules on the administrative liability of legal entities, companies, and associations, also deprived of legal status”, on 4 July 2001, undertook an adaptation process with the aim of introducing the Organisation and Control Model, and having over time the applicable and certified organisational schemes, and managing an internal project aimed at ensuring the preparation of the Model referred to in Article 6 of the aforementioned Decree.

The drafting of the Model was anticipated by a series of preparatory activities divided into different stages and directed towards the construction of a risk prevention and management system, in line with the provisions of (It.) Legislative Decree 231/2001 and inspired not only by the rules contained therein but also by the Guidelines.

On this occasion, a risk analysis was also carried out with reference to the commission of certain predicate offences considered, during the first drafting of the Model, only abstractly conceivable.

The first draft of the model was approved by a resolution of the Board of Directors on 24/09/2010; depending on changes in the organisation and the introduction of new types of offence from which derives administrative liability pursuant to (It.) Legislative Decree 231/01, the Company, at the instigation of its Supervisory and Control Body, on 21/05/2016 and 21/09/2018 took steps for a first and a second update of the Model approved by the Board of Directors.

Depending on changes in the organisation and the introduction of new types of offence from which derives administrative liability pursuant to (It.) Legislative Decree 231/01, the Company, at the instigation of its Supervisory and Control Body, in 2021 provided a documentary analysis of the model pursuant to (It.) Legislative Decree 231/01.

The outcome indicated that the structure and contents of the model were to be updated to reflect the necessary organisational, jurisprudential, and regulatory updates.

The company has therefore decided to carry out a new mapping of sensitive processes and the related risk analysis of all predicate offences pursuant to (It.) Legislative Decree 231/01.

The stages and methodologies for the third update were not the same as those that characterised the preparation and first update of the Model, but aimed at mapping processes by carrying out an “assessment” of risk factors in association with corporate activities/processes/departments and in

relation to the system of controls in place, which can be traced back to the 5 controls also provided for by the CONFINDUSTRIA Guidelines:

1. The existence of *procedures* to regulate sensitive activities;
2. the correct allocation of *powers* to carry out sensitive activities;
3. segregation (separateness) of controls from operational management;
4. *traceability*, understood as the possibility of verifying at any time the type of interventions and solutions adopted in dealing with risks;
5. *monitoring*, i.e. the existence of audit activities (control) by the Supervisory and Control Body and other bodies.

In addition to carrying out a new mapping of the crimes already covered by the existing model, with the 2022 update, the company analysed the new types of crime from which derives administrative liability pursuant to (It.) Legislative Decree 231/01, introduced by the following laws:

- **(It.) Legislative Decree 21/2018 of 01.03.2018** – “Provisions implementing the principle of delegation of criminal matters to the Penal Code”, which amended the Penal Code and, consequently, the Decree. Specifically, it amended Article 25 - *undecies* (Environmental offences) - repealing Article 260 of (It.) Legislative Decree of 3 April 2006, no. 152 faithfully transposed in Article 452 - *quaterdecies* of the (It.) Penal Code – and Article 25 - *terdecies* (*Racism and xenophobia*).
- **(It.) Law of 09.01.2019 no. 3** (“Measures to combat crimes against the public administration, as well as on the prescription of the offence and on the transparency of political parties and movements”). Article 1, paragraph 9 of the law introduces to Article 25 of (It.) Legislative Decree 231/01 the new predicate offence relating to “influence peddling” pursuant to Article 346-bis of the (It.) Penal Code; it also envisages a tightening of penalties, although accompanied by a new provision aimed at soliciting the “procedural collaboration” of the entity, through the introduction of a specific mitigation of the duration of disqualification sanctions.
- **(It.) Law of 11 February 2019, no. 12 (Conversion of (It.) Decree Law of 14.12.2018 no. 135)** (“Urgent provisions on support and simplification for businesses and the public administration”). Article 6 “Provisions regarding the traceability of environmental data concerning waste” repeals from 1 January 2019 the waste traceability control system (SISTRI) referred to in Article 188-ter of (It.) Legislative Decree of 3 April 2006, n. 152 and, consequently, Article 260 - bis of (It.) Legislative Decree 152/2006, which contained several detailed aspects of the SISTRI regulation (some of which are relevant for 231 purposes).



- **(It.) Law of 3 May 2019, no. 39** Ratification and implementation of the Council of Europe Convention on the Manipulation of Sports Competitions, signed in Macolin on 18 September 2014. (19G00046) (OJ General Series no.113 of 16-05-2019) with Entry into force of the measure: 17/05/2019,

Article 5 “Offences relating to fraud in sports competitions, abusive operation of gambling or betting and games of chance carried out by means of prohibited devices”,

1. Following Article 25 - terdecies of (It.) Legislative Decree of 8 June 2001, no. 231, the following is inserted:

“Article 25 - quaterdecies (Fraud in sports competitions, abusive exercise of gaming or betting and games of chance exercised by means of prohibited devices). –

1. In relation to the commission of the offences referred to in Articles 1 and 4 of Law of 13 December 1989, no. 401, the following financial penalties shall apply to the entity:

- a) for crimes, monetary sanction up to five hundred quotas;
- b) for fines, monetary sanction up to two hundred and sixty shares.

2. In cases of conviction for one of the offences referred to in paragraph 1(a) of this article, the disqualification sanctions provided for in Article 9 (2) shall apply for a period of not less than one year”.

- **(It.) Law of 21 May 2019, n. 43** published in the Official Gazette (It.) LAW of 21 May 2019, no. 43 “Amendment to article 416 - ter of the penal code on political-mafia vote rigging” which amended Article 416 ter of the (It.) Penal Code, already included in Article 24 ter of (It.) Legislative Decree 231/01.

#### TEXT IN FORCE

*Article 416b of the (It.) Penal Code ‘Political-mafia vote-rigging’*

*Any person who accepts a promise to procure votes in the manner referred to in the third paragraph of Article 416a in exchange for the disbursement or promise of disbursement of money or other benefits shall be punished with imprisonment from six to twelve years.*

*The same penalty shall apply to those who promise to obtain votes in the manner referred to in the first paragraph.*

#### NEW TEXT

*Article 416b of the (It.) Penal Code ‘Political-mafia vote-rigging’*

*Anyone who accepts, directly or through intermediaries, the promise to procure votes from subjects belonging to the associations referred to in Article 416-bis or through the methods*

*referred to in the third paragraph of Article 416-bis in exchange for the disbursement or promise of disbursement of money or any other benefit or in exchange for the willingness to meet the interests or needs of the mafia association shall be punished with the penalty laid down in the first paragraph Article 416-bis.*

*The same penalty shall apply to a person who promises, directly or through intermediaries, to obtain votes in the cases referred to in the first subparagraph.*

*If the person who accepted the promise of votes, following the agreement referred to in the first paragraph, was elected in the relevant electoral consultation, the penalty provided for in the first paragraph of Article 416-bis increased by half shall apply.*

*Perpetual interdiction from public office always follows conviction for the crimes referred to in this article.*

- **(It.) Law of 19 July 2019, no. Article 69** - Amendments to the (It.) Penal Code, the (It.) Code of Criminal Procedure and other provisions on the protection of victims of domestic and gender-based violence.

Updates of Articles Article 609-bis of the (It.) Penal Code, Article 609-quarter of the (It.) Penal Code, Article 609 - octies of the Code referred directly or indirectly to Articles 24-ter (Organised crime) and Article 25-quinquies (Crimes against the individual personality).

- **(It.) Law of 4 October 2019, no. 117** (Entry into force on 2.11.2019) which gives the Government the delegation to transpose and implement the European directives, regarding the transposition of Directive 2017/1371 (known as “PIF Directive”) on “combating fraud to the Union's financial interests by means of criminal law”.
- **(It.) Law of 18 November 2019, no. 133** - Conversion into law, with amendments, of (It.) Decree Law of 21 September 2019, no. 105 “Urgent provisions on the cyber national security perimeter”. (O.G. no. 222 of 21.09.2019)

It amends Article 24 - bis (Computer crimes and unlawful processing of data).

- **(It.) Law of 19 December 2019, no. 157** Conversion into law of (It.) Decree Law of 26 October 2019, no 124 “Urgent provisions on tax matters” - Article 39 provides, after Article 25 - quaterdecies of (It.) Legislative Decree of 8 June 2001, no. 231, the following is added:  
“Article 25 - quinquiesdecies (Tax offences).

1. In relation to the commission of the crimes envisaged by (It.) Legislative Decree of 10 March 2000, no. 74, the following financial penalties shall apply to the institution:

- a) for the crime of fraudulent declaration through the use of invoices or other documents for non-existent transactions envisaged by Article 2, paragraph 1, the pecuniary sanction up to five hundred shares;

- b) for the crime of fraudulent declaration through the use of invoices or other documents for non-existent transactions, envisaged by Article 2, paragraph 2 - bis, the pecuniary sanction up to four hundred shares;
  - c) for the crime of fraudulent declaration by other artifices, envisaged by Article 3, the financial penalty of up to five hundred quotas;
  - d) for the crime of issuing invoices or other documents for non-existent transactions, envisaged by Article 8, paragraph 1, the pecuniary sanction up to five hundred quotas;
  - e) for the crime of issuing invoices or other documents for non-existent transactions, envisaged by Article 8, paragraph 2-bis, the pecuniary sanction up to four hundred shares;
  - f) for the crime of concealment or destruction of accounting documents, envisaged by Article 10, the financial penalty not exceeding four hundred shares;
  - g) for the crime of fraudulent subtraction from the payment of taxes, envisaged by Article 11, the pecuniary sanction up to four hundred shares.
2. If, following the commission of the crimes referred to in paragraph 1, the entity has achieved a significant profit, the financial penalty shall be increased by one third.
3. In the cases envisaged by paragraphs 1 and 2, the disqualification sanctions referred to in Article 9, paragraph 2, letters c), d) and e) shall apply.
- **(It.) Legislative Decree no. 75 of 14 July 2020** “Implementation of EU Directive 2017/1371 on the fight against fraud to the Union’s financial interests by means of criminal law” (known as PIF Directive)
  - The new offences included in the 231 catalogue are as follows:
    - Fraud in public supplies (Article 356 of the (It.) Penal Code);
    - Fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Article 2 of (It.) Law 898/1986);
    - Embezzlement (Article 314 paragraph 1 of the (It.) Penal Code) when the act offends the financial interests of the European Union;
    - Embezzlement by profit from the error of others (Article 316 of the (It.) Penal Code) when the act offends the financial interests of the European Union;
    - Abuse of office (Article 323 of the (It.) Penal Code) when the act offends the financial interests of the European Union;
    - Unfaithful declaration (Article 4 of (It.) Legislative Decree 74/2000) if the VAT fraud is transactional and the evasion is no less than 10 million euros;

- Failure to declare (Article 5 D of (It.) Legislative Decree 74/2000) if the VAT fraud is transactional and the evasion is no less than 10 million euros;
- Undue compensation (Article 10 - *quarter* of (It.) Legislative Decree 74/2000) if the VAT fraud is transactional and the evasion is no less than 10 million euros;
- Smuggling (It. Presidential Decree 43/1973).
- **(It.) Legislative Decrees no. 116, 118, 119 and 121 of 3.9.2020** implementing the directives of the “Circular Economy Package” which amend (It.) Legislative Decree 152/2006 for certain types of relevant crimes pursuant to (It.) Legislative Decree 231/01 and envisages the adoption of the model pursuant to (It.) Legislative Decree 231/01 and the adequate establishment of the Supervisory Body and control for certain types of collective systems.
- **(It.) Legislative Decree, no. 184 of 8 November 2021**, “Implementation of Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA Article 3 envisages that the following amendments are made to (It.) Legislative Decree of 8 June 2001, no. 231:

a) the following is inserted after Article 25 - octies:

Article 25-octies.1 (Crimes concerning non-cash payment instruments).

- **(It.) Legislative Decree, no. 195 of 8 November 2021**, “Implementation of Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering by means of criminal law.”

Article 1 envisages amendments to the (It.) Penal Code for crimes, currently present in the catalogue of predicate offences of (It.) Legislative Decree 231/01 to Article 25 - octies “Receiving stolen goods, money laundering and use of money, goods or benefits of illicit origin, as well as self-laundering”

- Article 648 of the (It.) Penal Code Receiving stolen goods
- Article 648 bis of the (It.) Penal Code Money-laundering
- Article 648 ter of the (It.) Penal Code Use of illicitly derived money, goods or other benefits
- Article 648ter.1 of the (It.) Penal Code Self-laundering

Envisaging for Art 648 bis of the (It.) Penal Code Money-laundering and for Article 648 ter.1 of the (It.) Penal Code Self-laundering, envisaging the applicability also for culpable crimes, having deleted the words “not culpable”.

- **(It.) Law no. 22 of 9 March 2022 (Official Gazette no. 68 of 22 March 2022)**, concerning “Provisions on crimes against the cultural heritage”.

The text reforms the penal provisions for the protection of the cultural heritage – currently mainly contained in the (It.) Cultural Heritage Code (It. Legislative Decree no. 42 of 2004) – and adds them

to the Penal Code with the aim of carrying out a profound reform of the matter, redefining the structure of the regulation with a view to an increasing tightening of the sanctioning treatment.

Following the amendments approved by the Senate, the bill consists of 7 articles through which: i) it adds to the Penal Code the criminal offences currently divided between the Penal Code and the (It.) Cultural Heritage Code; (ii) it introduces new types of crime; (iii) it raises the existing applicable penalties, implementing the constitutional principles by virtue of which the cultural and landscape heritage needs additional protection compared to that offered to private property; (iv) it introduces aggravating circumstances when the subject of common offences is cultural property; v) it amends article 240-bis of the Penal Code, expanding the catalogue of crimes in relation to which the so-called extended confiscation is permitted; (vi) it amends (It.) Legislative Decree No 231 of 2001, envisaging the administrative liability of legal persons when crimes against the cultural heritage are committed in their interest or for their benefit; (vii) it modifies paragraph 3 of Article 30 of (It.) Law No 394 of 1991 on protected areas.

As for the amendments to the Penal Code, the introduction of the following articles is envisaged:

- 518 - bis (Theft of cultural property);
- 518 - ter (Misappropriation of cultural property);
- 518 - quarter (Receiving stolen cultural goods);
- 518 - quinquies (Use of cultural property deriving from crime);
- 518 - sexies (Laundering of cultural goods);
- 518 - septies (Self-laundering of cultural goods);
- 518 - octies (Falsification in private agreements relating to cultural goods);
- 518 - novies (Violations regarding the sale of cultural property);
- 518 - decies (Illicit import of cultural goods);
- 518 - undecies (Illicit exit or export of cultural goods);
- 518 - duodecies (Destruction, dispersion, deterioration, disfigurement, soiling and illicit use of cultural or landscape goods);
- 518 - terdecies (Destruction and looting of cultural and landscape heritage);
- 518 - quaterdecies (Counterfeiting of works of art);
- 518 - quinquiesdecies (Cases of non-punishability);
- 518 - sexiesdecies (Aggravating circumstances);
- 518 - septiesdecies (Extenuating circumstances);
- 518 - duodevicies (Confiscation);
- 518 - undevicies (Offence committed abroad);
- 707 - bis (Unjustified possession of instruments for soil probing or metal detection equipment).

As for the amendments to (It.) Legislative Decree 231/2001, two new families of crime are introduced:

- Article 25 - septiesdecies “Crimes against the cultural heritage”:
  - Theft of cultural property (Article 518 - bis of the (It.) Penal Code);
  - Misappropriation of cultural property (Article 518 - ter of the (It.) Penal Code);
  - Receiving stolen goods (Article 518 - quarter of the (It.) Penal Code);
  - Falsification in private agreements relating to cultural property (Article 518 - octies of the (It.) Penal Code);
  - Violations regarding the sale of cultural property (Article 518 - novies of the (It.) Penal Code);
  - Illicit importation of cultural goods (Article 518 - decies of the (It.) Penal Code);
  - Illicit exit or export of cultural goods (Article 518 - undecies of the (It.) Penal Code);
  - Destruction, dispersion, deterioration, disfigurement, soiling and illicit use of cultural or landscape property (Article 518 - duodecies of the (It.) Penal Code);
  - Counterfeiting of works of art (Article 518 - quaterdecies of the (It.) Penal Code).
- Article 25 - duodevicies “Laundering of cultural goods and destruction and looting of cultural and landscape goods”:
  - Laundering of cultural goods (Article 518-sexies of the (It.) Penal Code);
  - Destruction and looting of cultural and landscape goods (Article 518 - terdecies of the (It.) Penal Code).

In addition to the new types of crime introduced in the catalogue of predicate offences pursuant to (It.) Legislative Decree 231/01, the drafting of the Model also duly took into account the new regulations on **Privacy in light of the entry into force on 25 May 2018 of the new Regulation 679/2016 GDPR (General Data Protection Regulation) on the processing of personal data;**

## **5.7 Adoption of the Organisation and Management Model in the Subsidiaries**

The Model and the Code of Ethics are communicated to the Subsidiaries, which adopt, through a specific resolution of the Board of Directors, their own organization, management and control model pursuant to the Decree, drawn up on the basis of the setting and guidelines inspiring this Model and the risk profiles configurable in the activities carried out by the companies themselves. In exercising their autonomy, the individual subsidiaries are directly and exclusively responsible for the adoption and implementation of their respective model based on their own autonomous risk analysis.

Likewise, each subsidiary adopts its own code of ethics in line with the principles by which the Code of

Ethics of the parent company is informed.

Each Subsidiary informs the Bottero Chief Executive Officer and Supervisory Body of the adoption of the Model and the Code of Ethics.

In adopting the organisation, management and control model, the Boards of Directors of the individual subsidiaries also proceed simultaneously with the appointment of their own supervisory body. These supervisory bodies are exclusively responsible, in the context of their respective companies, for the control tasks on the performance of the aforementioned activities and on the functioning and observance of the model of the company to which they refer.

The representatives indicated by Bottero in the corporate bodies of the subsidiaries, in the consortia, and in the *joint ventures* promote the principles and contents of the Model in the areas of their respective authority.

## 5.8 Implementation and preparation of the Organisation and Management Model

The launch of the Model implementation project was shared with all Bottero heads of departments and divisions to make them aware of the importance of the project.

The process of identifying the relevant risks for the purposes of the Decree and of adapting/integrating the existing control system was conducted through the following stages and activities:

- mapping of risk processes and Sensitive Activities, as defined *below*;
- identification of potential risks;
- recognition and analysis of the existing preventive control system;
- assessment of residual risks;
- adjustment/integration of the control system in order to reduce the identified risks to an acceptable level.

### 5.8.1 Mapping of corporate areas at risk and *risk analysis*

The risk areas were identified by analysing the company context, identifying the sensitive activities, that is to say, the specific activities at risk of commission (hereinafter, for the sake of brevity, the “**Sensitive Activities**”) and the business departments within which the Offences could be committed (or attempted).

At the end of the risk analysis conducted for the purposes of (It.) Legislative Decree 231/2001 it should be noted that in relation to the Company’s own activity, the following cases of predicate offence of Legislative Decree 231/01<sup>3</sup> may be theoretically relate to:

- a) Undue receipt of disbursements, fraud to the detriment of the State or a public body or the European Union or for the achievement of public disbursements and computer fraud to the

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<sup>3</sup> See also table of analysis of risks by offence.

detriment of the State or a public body and fraud in public supplies (Article 24 of (It.) Legislative Decree 231/01);

- b) Computer crimes and unlawful processing of data Article 24-bis of (It.) Legislative Decree 231/01;
- c) Organised crime (Article 24-ter of (It.) Legislative Decree 231/01) *(this is not the event in itself of the commission of a specific offence, but the subjective element underlying the conduct involving an association, with at least two other persons, in the commission of the offence);*
- d) Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office (Article 25 of (It.) Legislative Decree 231/01);
- e) Counterfeiting of money, in legal tenders, tax stamps, and identification instruments or signs (Article 25 - bis of (It.) Legislative Decree 231/01);
- f) Crimes against industry and commerce (Article 25 - bis1 of (It.) Legislative Decree 231/01);
- g) Corporate crimes and corruption between private individuals (Article 25 - ter of (It.) Legislative Decree 231/01);
- h) Crimes with the purpose of terrorism or subversion of the democratic order (Article 25 - quarter of (It.) Legislative Decree 231/01);
- i) Manslaughter or serious or very serious injuries committed with violation of the rules on the protection of occupational health and safety (Article 25 - septies of (It.) Legislative Decree 231/01);
- j) Receiving stolen goods, money laundering and use of illicitly sourced money, goods or benefits, as well as self-laundering (Article 25 - octies of (It.) Legislative Decree 231/01);
- k) Crimes concerning copyright infringement (Article 25 - novies);
- l) Inducement not to make statements or to make false statements to the judicial authority (Article 25 - decies of (It.) Legislative Decree 231/01);
- m) Environmental crimes (Article 25 - undecies of (It.) Legislative Decree 231/01);
- n) Employment of illegally residing third-country nationals (Article 25 - duodecies of (It.) Legislative Decree 231/01);
- o) Tax Offences (Article 25 - quinquiesdecies of (It.) Legislative Decree 231/01);
- p) Smuggling (Article 25 - sexiesdecies of (It.) Legislative Decree 231/01);
- q) Transactional crimes.



The details of the sensitive processes within each of the aforementioned cases and their regulation are treated in specific and dedicated sections of this Model, called “Special Parts”.

The risks concerning organised crime (Article 24 ter of (It.) Legislative Decree 231/01) and the crime of inducement not to make statements or to make false statements to the Judicial Authority (Article 25 - decies of (It.) Legislative Decree 231/01), although they are only abstractly conceivable, are regulated beyond the principles contained in the Code of Ethics adopted by the Company, also in specific special parts.

With regard to the offences of insider dealing and market manipulation (Article 25 - sexies of (It.) Legislative Decree 231/01), the Company is not listed on any stock exchange and, likewise, neither the parent company nor any other company at the top of the chain of control of the Group of which the company is part is listed.

Similarly, the company does not own significant shareholdings, and said offences occur when: a natural person or company or entity participates, directly or indirectly, in a company with quoted shares in an amount exceeding 2% of its share capital or when a company with listed shares participates, directly or indirectly, in another company with unlisted shares or a limited liability company, also foreign, to an extent exceeding 10% of their capital.

It is, therefore, not conceivable, at least theoretically, that company representatives are in possession of inside information concerning the operations of the company or of other investee companies which, if published, could significantly affect the prices of listed financial instruments issued by the company

Following the preliminary analysis, the risks concerning Crimes against the individual personality (quinquies of It. Legislative Decree 231/01) and Racism and Xenophobia (Article 25 - terdecies of (It.) Legislative Decree. 231/01), were considered theoretically conceivable, for which, however, a residual risk judgment was expressed from the point of view of the concrete commission thereof within the Company.

For this reason, with respect to these types of offence, the subsequent detailed analysis was not carried out to determine the area of the Company in which there is a risk of offence and the relative levels of control, but specific principles of conduct were included in the Code of Ethics adopted by the Company.

Concerning the offence relating to the employment of illegally residing third-country nationals (Article 25 - duodecies of (It.) Legislative Decree 231/01) in addition to the inclusion of specific principles of conduct in the Code of Ethics adopted by the Company and certain general conditions for the purchase of services or, in the case of subcontracting, a specific special part has also been provided.

Crimes concerning payment instruments other than cash (Article 25-octies.1 of (It.) Legislative Decree 231/01) are not conceivable in consideration of the fact that the Company does not use financial instruments, payments, collections, or investments in cryptocurrencies.

Also offences relating to smuggling (Article 25-sexiesdecies of (It.) Legislative Decree 231/01) have been considered theoretically conceivable: in any case it has been assessed that the organisational structure and procedures put in place for the management of Customs obligations constitute valid safeguards aimed at avoiding the occurrence of theoretically relevant conduct for such types of predicate offence and a specific special part has been provided.

With regard to offences relating to the female genital organ mutilation practices (Article 25 - quater<sup>1</sup> of (It.) Legislative Dec 231/01), those concerning "Fraud in sports competitions, abusive operation of gambling or betting and games of chance carried out by means of prohibited devices (Article 25 - quaterdecies)" and Offences referred to in Article 25 - septiesdecies "Crimes against the cultural heritage" and Article 25 - duodevices "Laundering of cultural heritage and destruction and looting of cultural and landscape goods", are not conceivable in view of the activity carried out by the Company.

We would like to point out that each type of offence included in (It.) Legislative Decree 231/01 is taken into consideration in the Code of Ethics adopted by the Company, which establishes the values and rules of conduct with which each person operating on its behalf must comply. Therefore, these values and rules of conduct are also aimed at avoiding and stigmatising the occurrence of behaviours that abstractly constitute the types of offence that may give rise to administrative liability of entities.

For each identified Sensitive Activity, the following have been identified:

- the potential offences that can be associated thereto;
- the company departments involved in the management of the identified activities;
- the possible methods of carrying out the Offence or participating in it;
- the control tools in place for the prevention and monitoring of illegal conduct.

The mapping of the aforementioned risk areas took into account the history and events of Bottero and, in general, the characteristics of the subjects operating in the sector in which said work is carried out.

The results of the mapping of Sensitive Activities are available to the Supervisory Body for the purpose of carrying out the institutional activity entrusted to it by the Decree and by this Model.

### **5.8.2 Detection of the internal control system and *risk analysis***

Based on the mapping of the corporate areas at risk, an analysis was conducted on the adequacy of the existing control system to prevent and identify unlawful conduct. In particular, the sensitive areas have been assessed with respect to the existing system of procedures/controls to highlight any misalignments concerning the Model and to provide corrections and additions.

The analysis was carried out to verify, in particular:

- the existence of behavioural rules of a general nature aimed at overseeing the carried out activities;
- the existence and adequacy of procedures that govern the performance of activities in compliance with the principles of control;
- compliance and concrete implementation of the general principle of separation of duties;
- the existence of authorisation levels to guarantee adequate control of the decision-making process; and
- the existence of specific control and monitoring activities on Sensitive Activities.

The analysis was expressly targeted for the purposes of the Decree; a description of the system of preventive controls existing within Bottero was therefore prepared.

### **5.8.3 Residual risk assessment**

For each company activity, the “risks” were assessed, and risk priorities were assigned, according to the various elements qualifying Bottero’s internal control system, from the existing behavioural rules to the control and monitoring activities.

In general, Bottero’s control system was found to be sufficiently formalised and, in this sense, all the rules of conduct, procedures, and internal regulations set up to oversee the performance of company activities were of help.

The existing control processes/tools have therefore been activated and supplemented, focusing them on the types of Offences concerning the organisational and operational context of Bottero, both internal and external. Particular attention was paid to the need to ensure timely notification of the existence and occurrence of any critical situation, both general and specific.

## 6 THE SUPERVISORY BODY

Article 6, paragraph 1, letter b) of the Decree provides as an essential component of the Model the assignment to a body, having autonomous powers of initiative and control, of the task of supervising the functioning and observance of the Model as well as updating it.

Bottero, taking into account the aims pursued by the Decree, the Guidelines its size and organisation, opted for a Supervisory Body composed of more than one person.

### 6.1 Appointment and composition of the Supervisory Body

The Supervisory Body is appointed by the Board of Directors. The Supervisory Body is composed of two members, who may be re-elected, of which an internal member from Bottero and an external professional with specific skills in the corporate/financial field, having the requisites of autonomy, independence, continuity of action, professionalism, and integrity, which are necessary for the office.

In this regard, it should be noted that, as far as the autonomy requirement is concerned:

- the Supervisory Body has effective powers of inspection and control;
- the control activities of the Supervisory Body are not subjected to any form of interference and/or conditioning by internal subjects in Bottero or corporate bodies thereof;
- the Supervisory Body reports directly to the Board of Directors, with the possibility of reporting directly to the Statutory Auditors and the shareholders;
- the Supervisory Body does not perform operational tasks, nor does it participate in operational decisions and activities;
- the Supervisory Body has adequate financial resources for the proper performance of its activities;
- the regulation of the internal functioning of the Supervisory Body is entrusted to the body itself, which must therefore define - with a specific regulation - the aspects relating to the performance of the supervisory functions.

As far as the independence requirement is concerned:

- the Supervisory Body must not have executive functions, and its members must not have family relationships, marriage, or affinity up to the fourth degree with the members of the corporate bodies, persons who are representatives, directors, or managers of Bottero or its organisational structure with financial and functional autonomy, as well as with people who exercise - even de facto - the review, management, and control of Bottero;

- if a member of the Supervisory Body is an internal member of the corporate structure, he/she must have an adequately high organisational position.

As far as the requirement of professionalism is concerned:

- the members of the Supervisory Body are chosen from among individuals with adequate professionalism in legal matters and in the control and management of corporate risks. Furthermore, the Supervisory Body may, also availing itself of external professionals, use competent resources in matters of business organisation, auditing, accounting and finance, safety at work or other areas relating to Offences.

As far as the continuity of action is concerned:

- in its own regulation, the Supervisory Body is called to define the aspects relating to the continuity of its action, such as the scheduling of the activity and controls, the recording of minutes of the meetings, and the regulation of information flows.

As far as the requirements of integrity are concerned:

- the judgment of conviction or plea bargaining is also a cause of ineligibility or revocation for just cause of members of the Supervisory Body in relation to one of the offences referred to in the Decree, or the conviction to a penalty involving the disqualification, even temporary, from public offices, or temporary disqualification from the legal offices of legal persons.

The Board of Directors evaluates the permanence of the aforementioned requirements and operating conditions of the Supervisory Body.

## **6.2 Duration and termination of office**

The Supervisory Body remains in office for 3 financial years.

The termination of the office due to the expiry of the term takes effect from the moment in which the Supervisory Body is reconstituted. Termination of office may also occur due to renunciation, forfeiture, withdrawal, or death.

If the requirements of the Supervisory Body mentioned above should cease during the term of office, in the event of impossibility occurring, or for just cause, the Board of Directors, having consulted the Board of Statutory Auditors, will proceed to revoke the appointment and its replacement with a different individual that meets the requirements.

Just cause of revocation shall mean:

- the disqualification or inability or a serious infirmity that causes (one of the members of the) Supervisory Body to be unsuitable to perform their supervisory functions, or an infirmity which, in any case, involves the absence from work for more than six months;
- a serious breach of his/her own duties as defined in this Model;
- a conviction of the Company pursuant to the Decree, which has become final, or a criminal proceeding concluded through what is known as “plea bargaining”, where the records show “lack of or insufficient supervision” by the Supervisory Body, in accordance with the provisions of Article 6, paragraph 1, letter d) of the Decree;
- a conviction, which has become final, against (one of the members) of the Supervisory Body for having personally committed one of the offences referred to in the Decree;
- a conviction, which has become final, condemning (one of the members of) the Supervisory Body to a disqualification penalty, even temporary, from the public offices, or the temporary disqualification from the management offices of legal persons and companies;
- the violation of the duty of confidentiality relating to the identity of the corporate functions that report significant illegal conduct pursuant to (It.) Legislative Decree 231/2001 or violations of the Model.

If a sentence has been issued, the Board of Directors, while pending the final judgment, may also order - having heard the Board of Statutory Auditors - the suspension of the powers of the Supervisory Body and the appointment of a Body Supervisory Body *ad interim*.

The member of the Supervisory Body who waives the appointment is required to provide written notice to the Board of Directors so that he/she can be timely replaced.

Furthermore, in the case of an internal member, any termination of the employment relationship between the member of the Supervisory Body and Bottero generally entails the withdrawal of office.

In the event of resignation, forfeiture, revocation, and death, the Board of Directors will replace the member of the Supervisory Body who left office after consulting the Board of Statutory Auditors. The member thus appointed remains in office for the residual term of office of the Supervisory Body.

### 6.3 Functions, activities and powers of the Supervisory Body

The Supervisory Body is completely autonomous in the performance of its tasks, and its decisions are unquestionable. In particular, the Supervisory Body must:

- monitor compliance with the Model by the Recipients;
- monitor the effectiveness and adequacy of the Model in relation to the corporate structure and to the effective capacity to prevent the commission of the Offences;
- take care of updating the Model, through proposals to the Board of Directors, where there is a need to adapt the same in relation to changed company, regulatory or external conditions;
- receive detailed reports of illegal conduct, relevant pursuant to (It.) Legislative Decree 231/2001 and based on precise and consistent factual elements, or violations of the Model, ensuring the confidentiality of the identity of the reporting party.

The Supervisory Body must also:

- *ex ante* (for example, training and informing Employees);
- continuously (through monitoring, supervision, revision and updating activities);
- *ex post* (by analysing causes, circumstances that led to the violation of the provisions of the Model or to the commission of the Offence).

For an effective performance of the aforementioned functions, the Supervisory Body is entrusted with the following tasks and powers:

- to periodically verify the map of the areas at risk, to guarantee the adaptation to changes in the activity and/or in the company structure;
- to collect, process and store relevant information regarding the Model;
- to periodically verify the application of the company control procedures in the areas of activity at risk and their effectiveness;
- to verify the adoption of interventions aimed at solving critical issues in terms of internal control systems;
- to periodically carry out checks on specific operations or actions performed in the context of Sensitive Activities;
- to conduct internal investigations and carry out inspections to ascertain alleged violations of the provisions of the Model;
- to monitor the adequacy of the disciplinary system envisaged for cases of violation of the rules defined by the Model;
- to coordinate with the other company departments, as well as with the other control bodies (*in primis* the auditing firm and the Board of Statutory Auditors), also through special meetings, for

the best monitoring of the activities in relation to the procedures established by the Model, or for the identification of new risk areas as well as, in general, for the evaluation of the various aspects relating to the implementation of the Model;

- to coordinate with the heads of the company departments, to promote initiatives for the dissemination of knowledge (also with specific reference to the organisation of training courses) and understanding of the principles of the Model and to ensure the preparation of the internal organisational documentation necessary for the operation of the same, containing instructions, clarifications or updates;
- to perform periodic checks on the content and quality of training programs;
- to propose to the Board of Directors the evaluation criteria for the identification of Sensitive Activities.

To this end, the Supervisory Body will have the right to:

- issue provisions and service orders intended to regulate the activity of the Supervisory Body itself;
- access any and all relevant corporate documents for the performance of the functions attributed to the Supervisory Body pursuant to the Decree;
- issue general and specific directives to the various corporate structures, including top management, to obtain from them the information deemed necessary for the performance of their duties, so that the prompt detection of any violations of the Model is ensured;
- carry out periodic checks based on its own activity plan or even *one-off* interventions which are not planned in said plan but, in any case, are deemed necessary for the performance of its duties.

In carrying out its tasks, the Supervisory Body will, in any case, have the right to resort to external collaborators, identifiable as individuals belonging to any corporate function of the Company, whose involvement, from time to time, would be useful in the pursuit of specified purposes, and/or of third party consultants.

The staff of the Supervisory Body, on the mandate of the Supervisory Body itself, may, even individually, proceed with the supervisory activities deemed appropriate for the functioning and observance of the Model.

The individuals belonging to a corporate function, in the performance of the assignment conferred to them as collaborators of the Supervisory Body, are temporarily exempt from carrying out their company operational functions and respond exclusively to the Supervisory Body.



The Supervisory Body establish its own regulation (hereinafter, for the sake of brevity, the “**Regulation**”), which will ensure its organisation and operational aspects such as, for example, the frequency of inspections, the methods of resolutions, the procedures for calling meeting and preparing the minutes of the meetings, resolving conflicts of interest and amending/revising the regulation itself. Furthermore, as part of the Regulations, the Supervisory Body must expressly provide for formalised meetings and comparisons, in particular with:

- the Board of Statutory Auditors;
- the Board of Directors
- the company departments concerned

The objective of these meetings will mainly be the comparison and coordination with the individuals involved in the first line in the implementation of the control system, each one according to the area to which he/she belongs, to allow the Supervisory Body to seize opportunities to improve the existing controls for the purposes of the Model's effectiveness. In this perspective, the Supervisory Body will verify the effectiveness of the information flows towards itself with the same subjects, as they are defined in paragraph 3.5.

The Supervisory Body will regulate the operating procedures and the frequency of organisation of these meetings, identifying the individuals involved from time to time, as well as the agenda thereof. Furthermore, the Supervisory Body will prepare a plan of the activities for itself that it intends to carry out to fulfil the tasks assigned to it, which will have to be communicated to the Board of Directors (hereinafter, for the sake of brevity, the “**Activity Plan**”).

## **6.4 Relations between the Supervisory Body and the Subsidiaries**

Bottero Supervisory Board is entrusted, in compliance with the autonomy of the Subsidiaries and the limits imposed by the law, with the task of developing the information exchanges deemed appropriate with the Supervisory Bodies of the Subsidiaries (for example analysis of the regulatory changes, jurisprudential indications, identification of common guidelines on the inspection activities carried out).

## **6.5 Information flows towards the Supervisory Body**

### **6.5.1 Reporting obligations**

To protect the integrity of the Company, all Bottero departments must report to the Supervisory Body the relevant illegal conduct pursuant to (It.) Legislative Decree 231/2001 and the violations of the Model of which they have become aware due to the duty performed (so-called “reports”).

However, every person operating on behalf of the Company is obliged to transmit to the SB in addition to all the information deemed useful to facilitate the activity of monitoring the effectiveness of the Model or relating to events that could generate violations of the Model, of its general and control principles and the Code of Ethics in relation to the crimes provided for by (It.) Legislative Decree 231/01 and their unsuitability, ineffectiveness, and any other potentially relevant aspect to these purposes.

The reports of significant 231 offences and violations of the Model must be detailed and based on precise and consistent factual elements and must offer the greatest number of elements in order to allow the SB to carry out the necessary checks.

The SB also takes into consideration anonymous reports, in case these are adequately detailed, where they can identify facts and situations relating them to specific contexts.

Reports based on mere rumours or suspicions will not be considered.

The method of transmission of such information must be direct and must be made in writing.

To facilitate the acquisition of the information necessary for the performance of its tasks, the Supervisory Body prepares specific forms and discloses them appropriately.

Alternatively, an SB e-mail address was activated to which the company functions can send their reports: odv@Bottero.com

If the subject of a report concerns one of the members of the Supervisory Board, the report shall be submitted in paper form directly to the Board of Directors, which shall act as indicated in paragraph 3.2.

If the outcome of the internal investigation carried out by the Supervisory Board, or at the end of the criminal, civil, or administrative proceedings, shows that the report is unfounded and made with wilful misconduct or gross negligence, the whistleblower shall be sanctioned following disciplinary proceedings in compliance with Chapter 5.

If the Supervisory Board recognises elements that are not manifestly groundless, it reports the mere fact by maintaining the confidentiality of the identity of the whistleblower for the adoption of the consequent measures:

- to the person in charge of the area where the fact occurred for the acquisition of investigatory elements;
- to the person in charge of the disciplinary procedure, for any disciplinary responsibility profile.

The other company figures inform the SB of the adoption of any measure under their responsibility.

### **6.5.2 Whistleblowing**

In addition, pursuant to (It.) Law No. 179 of 2017 (so-called "Whistleblowing") reports are transmitted to the SB, to protect the integrity of the entity, - provided they are detailed - of significant illegal conduct based on precise and consistent facts or violations of the Model pursuant to (It.) Legislative Decree 231/2001 of which the subjects indicated in Article 5, section 1, letters a) and b) of (It.) Legislative Decree 231/01 have become aware by reason of the functions performed.

In this case, the furtherance, by the employee who reports offences, of the interest in the integrity of the entity constitutes just cause for disclosure of professional secrets – Article 622 of the (It.) Penal Code - as well as for the violation of the obligation of loyalty to the entrepreneur by the employee - articles 2104 and 2105 of the (It.) Civil Code -, unless such reporting was made in excess of the purposes of eliminating the offence.

"Whistleblowing" means a report by a worker of the Company who, during his/her work, detects a possible fraud, a danger, or another serious risk that may damage colleagues, member companies, accredited training institutions, or the reputation of the Company itself, which therefore involves a violation of the Model. This tool makes it possible to create a system of reporting facts and/or actual behaviour that does not follow the hierarchical line and allows staff to report cases of violation of rules by others within the institution without fear of retaliation. The obligations to provide information on any conduct contrary to the provisions contained in the Model are part of the broader duty of diligence and obligation of loyalty of the employee referred to in Articles 2104 and 2105 of the (It.) Civil Code

The Company, in consideration of the most recent regulatory developments<sup>4</sup>, has taken steps to comply with the *whistleblowing* required by law, as an effective tool to prevent corruption and illegality in general,

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<sup>4</sup> (It.) Law "Provisions for the protection of perpetrators of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship", approved in the Chamber of Deputies on 15 November 2017. This Law, with Article 2 "Protection of the employee or collaborator who reports offences in the private sector", supplements Article 6 of Decree

available to the entire internal organisational structure of the Company, making staff responsible for taking action to combat illegality, reporting the facts and/or potentially illicit events or irregularities of which they have become aware.

A specific procedure has been drawn up that makes it possible to regulate the provisions of the Italian legislation.

The Supervisory and Control Body will act in such a way as to guarantee whistleblowers against any form of retaliation, discrimination, or penalisation, also ensuring the confidentiality of the identity of the whistleblower without prejudice to legal obligations and the protection of the rights of the Company or the persons involved, as well as the reputation of the reported person(s).

In addition to the reporting channels, one of which is computerised, which assumes mandatory value, anyone who comes into possession of information relating to the commission of crimes or behaviours deemed not in line with the provisions of this model is still required to immediately notify the Supervisory Body.

Reports concerning evidence or suspicion of violation of the Model, as well as detailed reports of relevant illegal conduct based on precise and consistent facts, must be sent by confidential internal mail or through the dedicated e-mail: [odv@bottero.com](mailto:odv@bottero.com) or by ordinary post to: Supervisory Body C/O BOTTERO S.p.A. Via Genova, 82 12100 Cuneo.

The SB assesses the reports received and the opportunity for consequent actions, hearing, if necessary, the author of the report and/or the person responsible for the alleged violation.

However, conduct aimed exclusively at slowing down the activity of the SB must be appropriately sanctioned. Reports made with wilful misconduct or gross negligence that prove to be unfounded constitute a violation of the Model and are therefore punishable.

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231 with a paragraph 2-bis aimed at specifying the characteristics of the Model with regard to the collection of reports of illegal conduct (i.e.: a) detailed reports of illegal conduct, relevant pursuant to the Decree, and based on precise and consistent factual elements, or violations of the organisation and management model of the entity, of which they have become aware by reason of the functions performed; these channels guarantee the confidentiality of the identity of the whistleblower in the management of the report; b) provide for at least one alternative reporting channel suitable to guarantee, by electronic means, the confidentiality of the identity of the whistleblower; c) prohibit acts of retaliation or discrimination, direct or indirect, against the whistleblower for reasons related directly or indirectly to the report; d) envisage in the disciplinary system sanctions against those who violate the measures of protection of the whistleblower, as well as those who make reports with intent or gross negligence that prove to be unfounded

Whistleblowers in good faith are guaranteed against any form of retaliation, discrimination, or penalisation and, in any case, the confidentiality of the identity of the whistleblower is ensured, without prejudice to legal obligations and the protection of the rights of the Company or persons accused wrongly and/or in bad faith.

### **6.5.3 Information obligations**

In addition to the aforementioned reports, in addition to the provisions of the individual sections of the Special Section, the information concerning the following (so-called “**information**”) must be sent to the Supervisory Body:

1. the anomalies or inconsistencies found in the performance of work activities, with reference to the risk areas identified in the Model;
2. the violation of the procedures provided for in the Model;
3. the provisions or notifications coming from judicial police bodies or any other authority, from which it is possible to infer the carrying out of investigations, also against unknown persons, for the offences referred to in (It.) Legislative Decree 231/2001 concerning the Company and the recipients of the model, directly or indirectly;
4. visits, inspections and investigations initiated by the competent bodies (merely by way of example: ASL, INPS, INAIL, Guardia di Finanza [Italian finance police], etc.) and, at their conclusion, any findings and penalties imposed;
5. internal reports from which responsibilities emerge on the part of corporate subjects for the cases of offences envisaged by the decree;
6. audit reports concerning sensitive areas and/or processes pursuant to the Decree;
7. the disciplinary proceedings carried out, any sanctions imposed or the filing measures of such proceedings with the related reasons, if they fall within the scope of application of the Decree;
8. detected organisational or procedural deficiencies suitable to result in the effective danger of committing offences relevant for the purposes of the Decree;
9. lack of cooperation by the Company Areas (in particular, refusal to provide the Body with documentation or data requested, or impediments to its activity);
10. existence of criminal proceedings against subjects who operate on behalf of the Company, or proceedings against the company in relation to relevant crimes pursuant to the Decree;
11. the outcome of the investigations carried out following the start of investigations by the Judicial Authority regarding relevant crimes pursuant to the Decree;

12. any information deemed useful and appropriate for the performance of the functions of the SB.

The disclosure obligations towards the SB also include news related to:

- changes to the composition of corporate bodies;
- changes in the corporate organisational structure;
- changes in the proxies and powers of attorney assigned.

Furthermore, following the communications received from the Supervisory Body, the concerned departments must promptly take action to eliminate the aforementioned criticalities, providing, if necessary, to modify or update the affected parts of the model. Then, they will have to promptly communicate the solutions adopted to the SB.

For further reporting obligations towards the Supervisory Body within the sensitive areas regulated in the individual sections, please refer to the Sections of Special Section of this model as well as to the “Information flows to the SB” procedure.

## **6.6 Reporting to the corporate bodies**

In order to fully comply with the provisions of the Decree, the Supervisory Body is a body that reports directly to the Company’s top management (Board of Directors) and who is not tied to the operating structures by any hierarchical constraint, so that it has full autonomy and independence in performing its functions.

The activities carried out by the Supervisory Body cannot be criticised by any other company body or structure without prejudice to the fact that the Board of Directors is, in any case, called upon to supervise the adequacy of the Supervisory Body’s action as it is ultimately responsible for the functioning and effectiveness of the Model.

As a further guarantee of autonomy, in the context of the procedures for preparing the corporate *budget*, the Board of Directors must approve a financial endowment, proposed by the Supervisory Board itself, to be freely available for the proper performance of its tasks (e.g. specialist advice, travel, etc.).

The Supervisory Board shall prepare, for the Board of Directors, an informative report, on at least an annual basis, on the supervisory activity carried out to date and its outcome, and the implementation of the Organisation and Management Model within Bottero, and on a six-monthly basis in relation to the

application of the Special Part Section C, *Crimes concerning Health and Safety at the workplace*; this report must also be sent to the Board of Statutory Auditors.

## **6.7 Checks on the suitability of the model**

The SB may periodically carry out specific checks on the actual capacity of the Model to prevent offences.

To facilitate the vigilance and control activity of the SB, referents have been identified for each procedure

To this end, a verification activity concerning all the reports received during the year, the actions undertaken by the SB, any sample checks undertaken, and the awareness of the recipients of the Model with respect to the application of the same is carried out.

The SB may avail itself of the support of internal functions, which become necessary from time to time and are required to comply with the same duties of confidentiality that affect the members of the SB.

The checks and their results are included in the reports provided by the Model.

## **6.8 Storage of information**

The information, notifications, and *reports* provided for by the Organisational Model are kept by the Supervisory Body in a strictly confidential special database (IT and/or paper) for a period of 10 years.

Access to data in the *database* is allowed only to members of the Supervisory Body and to persons delegated and authorised by them.

In consulting the information contained in the *database*, the latter are required to observe the same duties of conduct aimed at protecting the privacy of the reporting parties, to which the members of the Supervisory Body are bound. Any violations of these duties by subjects belonging to the Company constitute a disciplinary offence and involve the responsibility foreseen by the following chapter.

# **7 DISSEMINATION OF THE MODEL: INFORMATION, COMMUNICATION AND TRAINING**

Bottero is aware of the importance of the dissemination and communication of the Organisation and Management Model and the Code of Ethics to the Recipients, as well as of the particular training of Employees for the purposes of the correct and effective functioning of the Model and, therefore, it undertakes to give wide dissemination to the principles contained in this Organisation and Management Model and the Code of Ethics by adopting the most appropriate initiatives to promote and disseminate

their knowledge.

Both the Model, as well as the relevant application protocols, and the Code of Ethics are made available to Employees through IT, including the company *intranet system* or paper tools.

All Employees and members of the Bottero Board of Directors are required to know the contents of the Organisation and Management Model (and related procedures) and the Code of Ethics to observe it and contribute to its effective implementation.

In order to guarantee the effectiveness of the Organisation and Management Model, the communication will be widespread, effective, authoritative, clear, detailed, and periodically repeated.

The activity of dissemination, communication and training with regard to Employees involves the carrying out of adequate training programs, which are differentiated according to the different company departments involved and to the personnel involved and according to the activity and position held, by taking into account the processes and activities at risk of Crime.

The information, training and updating meetings will be held on a regular basis, and they will ensure that the Employees are aware of the contents of the Model and are adequately informed about every aspect connected to its effectiveness and implementation (with reference, for example, to the existence of rules of conduct, procedures, the division of organisational and authorisation powers, information flows, etc.).

The training courses prepared for Employees must be compulsory: it is the task of the Bottero Human Resources department to inform the Supervisory Body of the results in terms of acceptance and approval of these courses.

Bottero promotes the knowledge and the observance of the Code of Ethics also among the commercial and financial partners, the consultants, the collaborators in any capacity and, in general, anyone who has professional relationships with the Company.

In order to guarantee knowledge and information on the policy and the procedures adopted by the Company, the Company has the right to include in the contracts with Third Parties a specific clause according to which the contracting parties undertake to respect the principles of the Code of Ethics.



## 8 DISCIPLINARY SYSTEM

### 8.1 Foreword.

To ensure that the Organisation, Management and Control Model pursuant to (It.) Legislative Decree 231/01 is exceptional effectiveness for the Company, it must envisage, as indicated in Articles 6, paragraph 2, letter e), and 7, paragraph 4, letter b) of (It.) Legislative Decree 231/01, *a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model itself.*

The requirements to be met by the sanctioning system can be deduced from existing doctrine and jurisprudence that identify them in:

- **Specificity and autonomy:** *specificity* is expressed in the preparation of a sanctioning system within the Company aimed at sanctioning any violation of the Model, regardless of whether or not it results in the commission of an offence; the requirement of autonomy, on the other hand, is expressed in the self-sufficiency of the functioning of the internal disciplinary system with respect to external systems (e.g., criminal sentence), that is to say, the Company is called upon to sanction the violation independent of the criminal trial that has been initiated, and this in consideration of the type of violation relating to the protocols and procedures provided for in the Model;
- **Compatibility:** the procedure for ascertaining and imposing the sanction, as well as the sanction itself, cannot be in conflict with the laws and contractual provisions governing the employment relationship with the Company;
- **Suitability:** the system must be efficient and effective for the prevention of crimes;
- **Proportionality:** the sanction applicable or applied must be proportionate to the infringement detected;
- **Written drafting and appropriate disclosure:** the sanctioning system must be drawn up in writing and subject to timely information and training for the recipients.

A substantive prerequisite for the Company's disciplinary power is the attribution of the violation to the employee (whether he is a subordinate or in a senior position or a collaborator), regardless of whether such conduct constitutes a violation which gives rise to criminal proceedings.

The fundamental requirement relating to sanctions is their proportionality with respect to the violation detected, and proportionality that must be assessed in accordance with two criteria:

- the seriousness of the violation;

- the type of employment relationship established with the provider (subordinate, semi-subordinate, managerial, etc.), taking into account the specific regulations existing at the legislative and contractual level.

In any event, the **right of defence** must be guaranteed to the person against whom the charge has been brought.

## **8.2 Function of the Disciplinary System.**

Violations of the Model and the related Protocols committed by persons holding a “top management” post and by persons under the direction of others or operating in the name and/or on behalf of the Company are liable to sanctions.

The application of the disciplinary system and the related sanctions is independent of the conduct and outcome of any criminal proceedings initiated by the judicial authority in the event that the conduct to be censured also serves to integrate a relevant crime pursuant to (It.) Legislative Decree 231/2001.

Naturally, the Company’s right to apply the sanctions provided for by the relevant laws and company practices with reference to conduct not relevant to the application of (It.) Legislative Decree 231/2001 remains unaffected.

## **8.3 Structure, Drafting, and Adoption of the Disciplinary System**

It being understood that for the complete regulation a separate document has been drawn up whose content, in its entirety, coincides with this chapter and which constitutes an integral part of the Model, the Disciplinary System, in addition to being delivered, also electronically or on computer medium, to subjects in top positions and to employees, as well as published on the company intranet, is posted in a place accessible to all so that full knowledge is guaranteed by all Recipients.

## **8.4 The recipients of the Disciplinary System**

The recipients of this disciplinary system are the same as the recipients of the Model pursuant to (It.) Legislative Decree 231/01 itself.

The recipients have the obligation to align their conduct with the principles enshrined in the Code of Ethics and with all the principles and measures of organisation, management and control of company activities defined in the Model itself.

### **8.4.1 The Directors**

The rules and principles contained in the Model and the related Procedures must be complied with, first and foremost, by the subjects who hold a so-called “**top management**” position.

This category includes persons who “represent, manage, or direct the entity or one of its organisational units with financial and functional autonomy”, as well as subjects who “exercise, even de facto, the management and control” of Entity (see Article 5, paragraph 1, letter a) of the Decree). In this context, the position of the members of the Company’s administrative and control bodies is of primary importance. All members of these bodies are liable to the sanctions provided for in this Disciplinary System for the hypothesis of violation of the provisions of the Model.

### **8.4.2 Other subjects in “top management”**

They are considered subjects in “top management”, in addition to Directors, General Managers and Managers with financial and functional autonomy.

### **8.4.3 Employees**

As already specified, the Decree envisages the adoption of a suitable Disciplinary System that sanctions any violations of the measures laid down in the Model implemented by subjects subject to the direction or supervision of a member of “top management”.

In this sense, it is necessary to consider the position of all employees linked to the Company by an employment relationship, regardless of the contract applied, the qualification and/or company classification recognised or even those subject to the employer power of the company by virtue of a supply relationship (e.g. "non-upper" managers, middle managers, employees, workers, fixed-term workers, agency workers, temporary workers, etc.; hereinafter also the “**Employees**”).

### **8.4.4 The members of the Board of Statutory Auditors and the Supervisory Body**

This Disciplinary System also has the function of sanctioning violations of the Model committed by members of the control bodies.

This category may include the following subjects:

- the members of the Board of Statutory Auditors;
- the members of the Supervisory Body pursuant to (It.) Legislative Decree 231/2001.

#### **8.4.5 Other subjects required to comply with the Model**

This Disciplinary System also has the function of sanctioning violations of the Model committed by subjects other than those indicated above.

These are, in particular, all persons who are in any case required to comply with the Model by virtue of the function carried out on behalf of the Company (hereinafter collectively referred to as “**Third-Party Recipients**”).

This category may include the following subjects:

- all those who have a non-subordinate employment relationship with the Company (project collaborators, consultants, etc.);
- collaborators in any capacity, including persons who provide their profession in favour of the Company on an ongoing basis (so-called “professional assignments”);
- proxies, agents, and all those acting in the name and/or on behalf of the Company;
- suppliers and partners.

### **8.5 Pertinent Behaviours**

For the purposes of this Disciplinary System, and in compliance with the provisions of collective bargaining or contractual conditions, where applicable, actions or behaviours carried out in violation of the Model adopted by the Company and its constituent elements constitute conduct subject to sanction.

#### **8.5.1 Possible violations.**

The following are the violations that are subject to disciplinary action:

- A) Violation of internal procedures of the Company or of procedures/protocols provided for by the Model (for example, non-compliance with prescribed procedures, omission of communications to the SB regarding prescribed information, omission of controls, etc.) or adoption, in the performance of activities related to Sensitive Processes, of conduct that does not comply with the Company’s procedures or operating instructions or with the requirements of the Model or the Code of Ethics that expose the Company to an objective situation of risk of committing one of the Offences;
- B) the violation and/or circumvention of internal control systems, carried out through the subtraction, destruction, or alteration of the procedure documentation or by impeding control or access to information and documentation to the persons in charge, including the Supervisory Body;

- C) Adoption, in the performance of activities related to Sensitive Processes, of conduct that does not comply with the Company's procedures or operating instructions or with the requirements of this Model or the Code of Conduct and uniquely directed to the commission of one or more Crimes;
- D) Adoption, in the performance of activities related to Sensitive Processes, of conduct clearly in violation of the Company's procedures or operating instructions or the provisions of this Model or the Code of Conduct, such as to result in the concrete application against the Company of sanctions provided for by (It.) Legislative Decree 231/2001;
- E) failure to comply with the rules contained in the Code of Ethics;

The violations in the field of occupational health and safety and the environment that are disciplinarily relevant are also indicated, catalogued by increasing order of severity:

- F) failure to comply with the Model, if the violation results in a situation of concrete danger to the physical integrity of one or more people, including the offender, and provided that one of the conditions provided for in the following points is not met; N, O, P;
- G) failure to comply with the Model, if the violation causes injury to the physical integrity of one or more persons, including the offender, and provided that one of the conditions set out in points O and P below is not met;
- H) failure to comply with the Model, if the violation causes an injury, which can be qualified as "serious" pursuant to Article 583, paragraph 1 of the (It.) Penal Code, to the physical integrity of one or more persons, including the offender, and provided that one of the conditions provided for in point P below is not met;
- I) failure to comply with the Model, if the violation causes an injury, which can be qualified as "very serious" pursuant to Article 583, paragraph 1 of the (It.) Penal Code, to the physical integrity or death of one or more persons, including the offender.
- J) breach or omission due to gross negligence, inexperience, or imprudence of any disposition aimed at preventing pollution or environmental damage.

Furthermore, the violation of the provisions of Article 6, paragraph 2-bis, letter d) of (It.) Legislative Decree no. 231/01 on the subject of reports of illegal conduct, relevant pursuant to (It.) Legislative Decree no. 231/01 itself, or violations of the Model, i.e. violation of the provisions and company policy on how to submit reports pursuant to (It.) Law 179/2017 (law on the so-called Whistleblowing)

In particular, the following may be sanctioned by disciplinary action:

- failure to set up and/or maintain reporting channels pursuant to Article 6, paragraph 2 bis letter d) of (It.) Legislative Decree 231/2001 or their inadequacy to the prescribed purposes;
- the conduct of those who carry out reports with intent or gross negligence that prove to be unfounded;
- failure to comply with the prohibition of retaliatory or discriminatory acts, direct or indirect, against the whistleblower for reasons directly or indirectly related to the report and/or failure to provide suitable tools to avoid such acts;
- violations of the measures for the protection of the whistleblower with reference to the right of confidentiality; the dissemination of the identity of the person making a report pursuant to (It.) Law 179/2017, unless it constitutes a due act based on law and/or bargaining, or fulfilment of a duty and/or a legitimate order of the public authority, must be subject to disciplinary sanction;
- the reported subjects who are held responsible as a result of the investigation carried out by the Supervisory Body, the recipient of the report.

Violation of the provisions on the processing and protection of personal data pursuant to the New Privacy Code 2018 (It. Legislative Decree 196/2003 Coordinated with (It.) Legislative Decree 101/2018) and EU Regulation 2016/679 (GDPR) and the provisions contained in the Company Regulations for the use of company electronic tools is also cause for the application of sanctions.

## 8.6 Penalties envisaged and categories of recipients.

With regard to each of the relevant conducts, the sanctions that can be theoretically imposed for each category of Recipients are indicated.

In any event, the identification and imposition of penalties must take account of the principles of proportionality and appropriateness in relation to the alleged infringement.

In this regard, the **gravity** of the violation will be assessed on the basis of the following circumstances:

- the timing and concrete procedures for carrying out the violation;
- the presence and intensity of intention;
- the extent of the damage or danger as a consequence of the violation for the Company and for all employees and stakeholders of the Company;
- the predictability of the consequences;
- the circumstances in which the violation took place.

**Recidivism** constitutes an aggravating circumstance and involves the application of a more serious sanction, within the limits of the provisions of collective bargaining, where applicable.

In any case, the sanctions and any request for compensation for damage are commensurate with the level of responsibility and autonomy of the recipient, the possible existence of disciplinary precedents against the same, the intentionality of his/her behaviour, as well as the seriousness of the same, meaning the level of risk to which the Company can reasonably be considered to be exposed, pursuant to and for the purposes of (It.) Legislative Decree 231/2001, following the condemned conduct.

The application of the sanctions indicated below does not affect in any case the right of the Company to take action against the person responsible in order to obtain compensation for all damage suffered due to or as a result of the conduct ascertained.

This is without prejudice to any request for compensation if such conduct causes concrete damage to the Company, as in the case of application to the same by the judge of the measures provided for by (It.) Legislative Decree 231/2001.

### **8.6.1 Disciplinary proceedings.**

The procedure for the imposition and application of the sanction is regulated with regard to each category of recipients, regulating, for each one:

- 1) the stage of attributing the violation to the interested party;
- 2) The relevant counter-argument by the person on whom the penalty was imposed
- 3) the stage of determination and subsequent application of the sanction.

The disciplinary system is subject to constant verification and evaluation by the SB and the Human Resources Manager, the latter remaining responsible for the concrete application of the disciplinary measures outlined here on the report by the SB and having heard the hierarchical superior of the author of the condemned conduct.

With regard to the detection of infringements, disciplinary proceedings, and the imposition of sanctions, the powers already conferred on the company management within the limits of their respective competencies remain unchanged.

The provisions contained in the Disciplinary System do not preclude the right of the recipients to exercise their rights, including those of dispute or opposition against the disciplinary measure or of the establishment of an Arbitration Committee recognised by law or regulation, as well as by collective bargaining or applicable company regulations.

## 8.7 Measures against Employees

The violation by employees subject to the National Collective Bargaining Agreement applied by the Company of the individual rules of conduct referred to in this Model and of the Code of Ethics constitutes a disciplinary offence.

The sanctions that can be imposed on employees of the Company, in accordance with the provisions of Article 7 of (It.) Law 300/1970 (so-called Workers' Statute) and any applicable special rules and subsequent amendments and/or additions are as envisaged by the sanctioning apparatus referred to in the CCNL of reference and, precisely:

- a) verbal warning;
- b) written warning;
- c) a fine of up to 4 hours of pay;
- d) suspension of up to 10 (ten) days from service and remuneration, and in any case within the limits established by the collective bargaining applicable to the specific case;
- e) dismissal with notice for significant non-fulfilment of the contractual obligations of the employee (justified subjective reason, pursuant to Article 7, of (It.) Law 300 of 20 May 1970 and of the current CCNL);
- f) dismissal without notice for a misconduct so serious as not to allow the continuation, even temporary, of the relationship (just cause).

When required by the nature of the misconduct or by the need to carry out investigations as a result of the same, the company - pending decision on the final disciplinary measure - may order the temporary removal of the worker from the service for the time strictly necessary.

The applicability of all the provisions and guarantees provided for by Article 7 of (It.) Law 300/1970 and subsequent amendments and/or additions regarding disciplinary proceedings shall be understood. With regard to the detection of infringements, disciplinary proceedings, and the prescription of sanctions, the powers already conferred within the Company remain valid, within the limits of their respective delegations and competencies.

The behaviours that constitute violation are as follows:

1. **verbal warning:** in cases of culpable violation of the procedures and requirements indicated in this Section, in the previous chapter "Pertinent Behaviours" and/or procedural errors due to negligence of the worker having external relevance;



2. **written warning:** in cases where the worker is a repeat offender in violating the procedures envisaged with repeated failures punishable by verbal reprimand. The same measure applies to workers who, in the exercise of their activities, adopt a behaviour that does not comply with the prescribed, with non-serious non-compliance with the contractual rules or directives or instructions given by the management or by the superiors, as well as adopt a not serious negligent behaviour or fail to report or tolerate non-serious irregularities committed by other members of the staff or by third parties;
3. **fine** not exceeding 4 hours of hourly wage calculated on minimum wage when the worker is a repeat offender in violating the procedures provided for by a repetition of failures punishable by verbal reprimand and subsequent written reprimand.
4. **suspension** from service and remuneration for a period not exceeding 10 days for workers who engage in conduct that, due to objective circumstances, specific consequences or recidivism, is of a greater importance than punishability with lower sanctions. The same measure applies to workers who, in the exercise of their activities, adopt a behaviour that does not comply with what is prescribed, having negative repercussions for the company or for third parties, with repeated non-compliance or non-compliance of a certain seriousness with the contractual rules or directives or instructions given by the Top Management or superiors, as well as adopt serious negligent behaviour or behaviour that has had negative repercussions for the company or for third parties or fail to report or tolerate serious irregularities committed by other staff members or third parties;
5. **dismissal with notice for significant breach of contractual obligations (just cause)** for workers who commit a violation of internal provisions and rules of conduct, contractual rules or duties inherent in the disciplinary sphere, company directives, performance at work, such as to configure, or for the particular nature of the misconduct or for its recidivism, a “material” breach of the relevant obligations;
6. **dismissal without notice (for just cause)** when the worker adopts a behaviour of such gravity (or due to the malice of the fact, or due to criminal or pecuniary repercussions, or due to recidivism, or due to its particular nature) to lose the trust on which the employment relationship is based, and not to allow the continuation - even temporarily - of the relationship itself.

The type and extent of each of the sanctions mentioned above, specifically as regards the provisions of (It.) Legislative Decree 231/2001, will be applied taking into account the provisions of the relevant laws and company practices, also taking into account:

- a) the intention of the behaviour or the degree of negligence, imprudence, or inexperience with regard also to the predictability of the event;
- b) the overall behaviour of the worker, with particular regard to the existence or non existence of previous disciplinary measures of the same, within the limits of the law.
- c) the duties of the worker;
- d) the functional position of the persons involved in the facts constituting the deficiency;
- e) other special circumstances accompanying the disciplinary offence.

Naturally, the Company's right to apply the sanctions provided for by the relevant laws and company practices with reference to conduct not relevant to the application of (It.) Legislative Decree 231/2001 remains unaffected.

For the purpose of determining recidivism, with specific reference to conduct relevant pursuant to (It.) Legislative Decree 231/2001, only disciplinary sanctions imposed during the last two years are taken into account.

This is without prejudice to the Company's prerogative to claim compensation for damage resulting from the violation of internal provisions and policies and rules of conduct by an employee.

Any compensation for damage requested will be commensurate with:

- a) the level of responsibility and autonomy of the employee, author of the disciplinary offence;
- b) the possible existence of disciplinary precedents against him/her;
- c) the degree of intent of his/her behaviour;
- d) the seriousness of the effects thereof, meaning the level of risk to which the company reasonably believes to have been exposed as a result of the condemned conduct.

With regard to the detection of infringements, disciplinary proceedings, and the imposition of sanctions, the powers already conferred on the company management within the limits of their respective competencies remain unchanged

The Human Resources Manager with the Chief Executive Officer are ultimately responsible for the concrete application of the disciplinary measures described above, for conduct relevant to the purposes of (It.) Legislative Decree. 231/2001. They will establish the sanctions also taking into account any reports to the Supervisory Bodies, based on what is defined by the individual provisions of the law (for example, (It.) Legislative Decree 231/2001, (It.) Legislative Decree 81/2008).

All requirements in terms of compliance with the Disciplinary procedure required by law, the National Collective Bargaining Agreement, and company practices remain unchanged.

In any case, for all the hypotheses described above, in accordance with the provisions of Article 6 of (It.) Legislative Decree of 8 June 2001, no. 231, paragraph 2 - quarter, the retaliatory or discriminatory dismissal of the person who reports illegal conduct, relevant pursuant to (It.) Legislative Decree 231/01 or violations of the organisation model, is null and void. The change of duties pursuant to Article 2103 of (It.) Civil Code, as well as any other retaliatory or discriminatory measure adopted against the whistleblower, are also null and void. It is the employer's responsibility, in the event of disputes related to the imposition of disciplinary sanctions, demotions, dismissals, transfers, or submission of the whistleblower to other organisational measures having negative effects, direct or indirect, on working conditions, subsequent to the submission of the report, to prove that these measures are based on reasons unrelated to the report itself.

## **8.8 Measures against managers**

Given the seriousness of the consequences for the Company in the event of unlawful conduct, any failure to comply with the Model by Managers, as well as by Directors and employees, constitutes a violation of the duties of diligence and loyalty (articles 2104, 2105 and 2106 of the (It.) Civil Code) and, in the most serious cases, damages the relationship of trust established with the Company.

By way of example, the commission (also in the form of an attempt) of any criminal offence of relevance pursuant to (It.) Legislative Decree 231/2001, the failure to supervise the subordinates regarding compliance with the Model and the rules referred to therein, the failure to comply with the reporting and information obligations towards the Supervisory Body, the tolerance or failure to report irregularities committed by other employees or partners of the Company.

In any case, if the violation of the Model causes the relationship of trust to be broken, the sanction consists in the termination of the employment relationship.

In particular, the following sanctions are envisaged against Managers:

- verbal warning, where the violation of one or more procedural or behavioural rules laid down in the Model or in the Code of Ethics constitutes a slight irregularity;
- a written warning, in cases of repeated commission of the infringements referred to in the preceding point;

- suspension from service and remuneration for a period not exceeding 10 days, in the event of a serious violation of one or more procedural or behavioural rules laid down in the Model or in the Code of Ethics when said violation does not compromise the normal activity of the Company;
- dismissal for just cause, in the event of significant non-compliance with one or more procedural or behavioural rules laid down in the Model or the Code of Ethics that causes financial damage to the Company or exposes it to an objective situation of danger with regard to the current management of the business activity;
- dismissal for just cause, if the violation of one or more provisions of the Model or the Code of Ethics is of such gravity as to irreparably damage the relationship of trust not allowing the continuation - even temporary - of the employment relationship.

With regard to the methods for managing disputes relating to the conduct or work of Managers, the same provisions described in the previous paragraph with reference to employees shall apply, except in the case in which the manager holds the office of director, the procedure provided for the directors referred to in the following paragraph prevailing in this case.

The sanctions envisaged by the Company for its managers in the event of violations of the Model constitute a distinct and autonomous system with respect to the sanctions provided for by the applicable legislation. Therefore, the manager, at the time of appointment, contractually undertakes to comply with the provisions of the Model and to be subject to the sanctions established therein ("conventional sanctions"). The approval of this Model by the managers is equivalent to the obligation to comply with it in all its parts, including the sanctioning measures referred to therein and envisaged thereby.

For Managers with top management duties, any disputes to be raised with regard to related sanctions to be imposed following a violation of the provisions of the Model pursuant to (It.) Legislative Decree 231/2001 must be decided by the Board of Directors, after consulting the Chief Executive Officer, informing the Chairman of the supervisory body and the Chairman of the Board of Directors, taking care to protect the interests of the company without prejudice to its image.

## **8.9 Measures against Directors**

If it is established that a director has committed one of the violations provided for in these rules, the following sanctions shall be applied:

- written warning;
- notice for punctual compliance with the provisions of the Model;

- fine from a minimum of €/EUR 1,000.00= to a maximum of €/EUR 10,000.00= to be donated to a special fund for the training of the staff of the COMPANY;
- the revocation of operational proxies, in particular, of those whose (non)fulfilment, is (directly or indirectly) connected to the violation actually ascertained;
- dismissal from office;

If the violation is held against a director who is linked to the Company by an employment relationship, the sanctions provided for Senior Executives or employees, described in the preceding paragraphs, will be applied.

In this case, if the sanction of dismissal is imposed, with or without notice, the revocation of the director from office must also be arranged.

In the event of a violation of the Model or Code of Conduct by one or more members of the Board of Directors, the SB informs the Board of Statutory Auditors and the entire Board of Directors, which take appropriate measures such as, for example, the convocation of the shareholders' meeting to adopt the most appropriate measures provided for by law.

The SB report contains a description of the conduct observed; the indication of the provisions of the Model that appear to have been violated; the details of the person responsible for the violation; any documents proving the violation and/or other evidence; a proposal on the appropriate sanction in relation to the specific case.

Within ten days of acquiring the SB report, the Board of Directors convenes the member indicated by the SB for a meeting of the Board, to be held no later than thirty days from receipt of the report.

The Board of Directors is convened in accordance with the procedures provided for by the Articles of Association; the convocation is made in writing and contains:

- an indication of the alleged conduct;
- indication of the provisions of the Model subject to infringement;
- the date of the meeting;
- notice of the right to make any remarks and/or inferences, both written and verbal.

On the occasion of the meeting of the Board of Directors, in which the SB is also invited to participate, the hearing of the interested party is arranged, the acquisition of any deductions formulated by the latter, as well as the possible completion of further investigations, deemed appropriate.

Based on the elements acquired, the Board of Directors, after consulting the Board of Statutory Auditors and the SB, determines the sanction deemed applicable, justifying any disagreement with the proposal formulated by the SB.

In any case, the SB must be informed of the conclusion of the procedure and the type of sanction imposed.

The following organs are competent for applying measures against the Directors of the Company:

- with regard to the “written warning”, the “notice”, the “fine”, and the “revocation of proxies”, the Board of Directors in its entirety, with a resolution taken by a majority of its members and with a mandatory abstention by the accused director, against whom the violation has been ascertained. To this end, the SB and the Board of Statutory Auditors may formally request the Board of Directors to meet by placing on the agenda the opening of the sanctioning procedure against the director against whom the violation/infringement subject to sanctioning measure has been ascertained;
- for the “removal from office”, the Ordinary Shareholders’ Meeting; to this end, the Administrative Body and the Board of Statutory Auditors may convene the Ordinary Shareholders’ Meeting – also at the request of the SB -, within the timeframes envisaged by the Articles of Association, placing on the agenda the opening of the sanctioning procedure against the Director, against whom the violation/infringement has been ascertained, liable to be sanctioned within the terms indicated above; the Shareholders’ Meeting, if it finds that the charge is not manifestly unfounded, will allocate to the accused Director a reasonable term for the defence, at the end of which it may resolve on the sanction deemed most appropriate.

The measure/sanction of “removal from office” is applied in the same way as the combined provisions of articles 2475 and 2383 of the (It.) Civil Code. The civil rules for the replacement of the director apply.

## **8.10 Measures against Statutory Auditors**

In the event of a violation of this Model or of the Code of Conduct by one or more Statutory Auditors, the SB informs the entire Board of Statutory Auditors and the Board of Directors, which will take appropriate measures such as, for example, the convocation of the shareholders’ meeting to adopt the most appropriate measures provided for by law.

With regard to the sanctioning system adopted by the Company concerning the Statutory Auditors, the sanctions and disciplinary procedure envisaged for the directors described in the previous paragraph apply, with the necessary adaptations, the same considerations being made with reference to the “conventional” nature of the sanctions envisaged. Therefore, upon acceptance of the assignment, they are required to comply with the provisions of Model 231/2001 and the Code of Ethics, with the consequent sanctions in case of non-fulfilment.

The possibility of resorting to the sanctions provided for by law remains unchanged, for example, by convening the Shareholders’ Meeting to adopt the most appropriate measures provided for by law (e.g. in the presence of criminal proceedings against the Statutory Auditor concerning crimes provided for by (It.) Legislative Decree no. 231/2001). In the event of serious violations committed by Statutory Auditors registered in the register of auditors pursuant to Article 2397 of the (It.) Civil Code (“Composition of the Board”), the Company may also take steps to report to the Bodies competent for keeping the relevant Register.

In any case, the SB must be informed of the conclusion of the procedure and the type of sanction imposed.

## **8.11 Measures against SB members**

In the event of a violation of this Model or of the Code of Conduct by one or more members of the SB, the other members of the SB or any of the Statutory Auditors or Directors inform the Board of Statutory Auditors and the Board of Directors, which will take appropriate measures including, for example, the revocation of the appointment of SB members who have violated the Model and the consequent appointment of new members to replace them, or the dismissal from office of the entire body and the consequent appointment of a new SB. For measures against members of the SB, please refer to the regulations for revocation from office dictated for them (see 6.2 Duration and termination of office).

## **8.12 Measures against Service Companies, Consultants, Partners, and Third-Party Recipients in General**

Any violation by Service Companies, Consultants, or Partners of the rules referred to in this Model or of the Code of Conduct applicable to them or of the commission of the Offences is sanctioned in accordance with the provisions of the specific contractual clauses included in the relevant contracts, which envisage the commitment of the commercial counterparty to comply with the contents of the documents under

analysis and to promptly report any anomaly relating to compliance with (It.) Legislative Decree no. 231/2001, under penalty of termination of the contractual relationship pursuant to Article 1456 of the (It.) Civil Code, or the exercise of the right of withdrawal even without notice from the relationship itself, or the suspension of the performance of the contract.

This is without prejudice to any request for compensation if such conduct causes concrete damage to the Company, as in the case of application to the same by the judge of the measures provided for by (It.) Legislative Decree 231/2001.

In the event that the violations are committed by temporary workers or in the context of works or service contracts, sanctions will be applied, at the end of the positive verification of the violations by the worker, against the manpower supplied or the contractor.

As part of its relations with Third-Party Recipients, the Company includes in the letters of appointment and/or in the relative negotiation agreements, specifications that:

- i. acknowledge the knowledge of the Decree and of the Code of Ethics;
- ii. require the assumption of a commitment to refrain from conduct that meets the hypotheses of an offence referred to in the Decree itself (regardless of the actual commission of the offence or the punishability thereof);
- iii. regulate the consequences in case of violation of the provisions contained in the aforementioned clause or a unilateral declaration, by the third party or the collaborator, regarding familiarity with the Decree and the Code of Ethics of the Company and the commitment to base their activity on compliance with the provisions thereof.

It is the Supervisory Body's responsibility to assess the suitability of the sanctioning measures against third parties (relating to the offence hypotheses envisaged by the Decree) and to report their possible update to the Board of Directors.

The sanctions for non-compliance with the Model, whose observance is included in the contractual obligations, depending on the seriousness of the alleged violation, may consist in a formal notice to comply with the Model, the application of a penalty, the termination of the relevant contract, the exercise of the right to terminate the contract even without notice, and the suspension of the execution of the contract.