

GOVERNANCE and ORGANIZATIONAL 231 MODEL



GENERAL PART



REVISIONS

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GENERAL PART

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1 REGULATION PURPOSE AND PRINCIPLES

The bodies' administrative liability deriving from a crime was introduced in our Law for the first time with the Legislative Decree no.231 of June 8, 2001, in partial implementation of the Enabling Act no.300 of September 29, 2000. The Legislative Decree no.231/2001 (hereinafter referred to as "Decree" or "Decree 231"), regulates the administrative liability of legal persons, companies and organizations without legal status (bodies) about crimes committed by their representatives.

With this regulation, a new form of liability for companies regarding crimes committed in their interest and for their benefit is added to that of natural persons who have committed the criminal act.

The Decree also responds to the need to implement international commitments.¹

The legislator's solution was to establish a hypothesis of liability towards bodies and legal persons formally defined as administrative, but that is actually *sui generis*. This is because it is characterized by provisions of criminal nature as a consequence of committing crimes complete with all the essential elements, except for the provisions of article 8 of the Decree, and it's ascertained by the criminal judge and is assisted by the guarantees of the criminal trial.

In addition to the typical guarantees of the criminal process, the 231 Decree draws the *principle of legality* from the criminal system which postulates several corollaries:

- the principle of "reservation of Law", according to which it is not possible to amount to the administrative liability of the body in the absence of a specific Legislative provision (article 2 of the Decree);
- the principle of mandatory or specific nature of the case, according to which the source of the body's liability and the sanctioning consequences must be specifically determined (article 2 of the Decree);
- the principle of non-retroactivity, according to which a body cannot be punished except based on rules that provided for its liability before the crime was committed (article 3 of the Decree);
- the prohibition of analogy, which prevents to resort to provisions that regulate similar cases or similar matters, in the absence of a regulatory provision of the specific case.

¹ The Convention on the protection of the financial interests of the European Communities, signed in Brussels on 26 July 1995 and its first protocol ratified in Dublin on 27 September 1996; the protocol concerning the preliminary interpretation by the Court of Justice of the European Communities of that Convention, signed in Brussels on 29 November 1996; the Convention on the fight against corruption involving officials of the European Communities, ratified in Brussels on 26 May 1997; the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, with annex, ratified in Paris on 17 December 1997.

The body's liability arises from the realization of a crime by a natural person linked to the body itself by a functional relationship. In particular, the crime must have been committed by:

- persons *"who hold representative, administrative or management functions of the body or one of its organizational units with financial and functional autonomy, as well as persons who exercise de facto, the management and control of the same"* (so-called "subjects in top position" or "top position subjects");
- *"persons subject to the direction or supervision of one of the top management subjects"* (so-called "subjects in a subordinate position" or "subordinates"), (article 5 of the Decree).

The belonging of the offender to one or the other category is decisive for the purpose of choosing the subjective criteria of imputation applicable to the specific case which, in relation to the different position in the organization of the body, are necessarily diversified.

If the crime is committed by top management subjects, the body is liable if it does not prove that:

- it has adopted and effectively implemented, before the commission of the fact, models of organization and management suitable to prevent crimes of the kind committed (article 6, paragraph 1, letter a, Decree 231);
- it has established a body with autonomous initiative and control powers, which has effectively supervised the compliance with the models;
- the offense was committed for fraudulent evasion of the models by the unfaithful top management subject.

If the crime is committed by the subjects referred to in article 5 paragraph 1, letter b), the body is liable if the commission of the crime was made possible by the non-compliance with the direction and supervision obligations by the top management subject. *"In any case, non-compliance with the management or supervision obligations is excluded if the body, before the commission of the offense, has adopted and effectively implemented an organization, management and control model suitable for preventing offenses of the type that occurred"* (article 7, paragraph 2 of the Decree).

For the purposes of the body's necessary liability, the offense must be committed by the subjects referred to in article 5 of the Decree "in the body's interest and advantage".

The case Law of the supreme court has established that *"in the matter of bodies' criminal liability, the criteria for imputation referring to interest and advantage are legally distinct. In fact, the first is a subjective criterion, to be evaluated "ex ante", and consisting in a finalistic projection aimed at making the body achieve a profit regardless of the actual realization of the same, the second is an objective criterion, ascertainable "ex post" and consisting in the concrete advantage derived to the body from the crime.* (Court of Cassation Penal section IV, hearing no.38363 of May 23, 2018).

This fundamental requirement allows an objective connection to be made between the crime committed and the activity of the body: the exclusive interest of the offender or the third party does not determine any liability on the part of the body, as there is an interruption in the scheme of organic identification, since it is a situation of manifest extraneousness of the legal person with respect to the crime.

In the case of culpable offences it is clear that the interest and the advantage cannot be referred to the event, precisely because the willful element in the offender's conduct is lacking. Therefore, in culpable offenses the interest and advantage must refer to the conduct and not to the event (Court of Cassation Penal section IV Judg. no. 38363 of May 23, 2018). For example, an "interest" in culpable offences with violation of the safety regulation may consist in the body saving the money from the failure to adopt the necessary safety protections.

The body's liability is linked to that of the material perpetrator of the offense, but it is also direct and autonomous and is independent from ascertaining the responsibility of a natural person, as we can see in article 8 of the Decree. The latter establishes that liability exists even when the perpetrator has not been identified or is not attributable, or when the crime has been extinguished for a reason other than amnesty.

The Italian jurisdiction exists when the action or omission that represents the offence took place on the territory of the Italian State, or otherwise the consequence of the action or omission took place in Italy (article 6 paragraph 2 of the Penal Code).

The bodies having their head office in the territory of the State (for the identification of which it is necessary to refer to the civil Law provisions for legal persons and companies) respond, in the cases and under the conditions set out in articles 7, 8, 9, 10 of the Penal Code, also in relation to crimes committed abroad, provided that the State of the place where the crime was committed does not proceed against them (article 4 of the Decree).

The sanctioning system outlined by the Decree is based on a double track: on the one hand the financial penalty and on the other the ban.

The main and indefectible penalty is the financial one, imposed with the quota system: for each offense there is a minimum and maximum number of quotas, and each quota corresponds to a sum of money ranging from 258 to 1,549.37 Euros. The judge sets the number of quotas based on the gravity of the fact and the body's degree of responsibility and on the activity carried out by the body to eliminate or mitigate the consequences of the offense and to prevent the commission of further offenses. The amount of each quota is fixed by the judge considering the body's economic and financial conditions (article 11 of the Decree). The amount of the financial penalty is therefore determined by multiplying the first factor (number of quotas) by the second (amount of the quota).

The bans, instead, apply only for the crimes for which they are expressly provided and are:

- ban from the exercise of the activity;
- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offence;

- the prohibition of contracting with the Public Administration, except to obtain the performance of a public service (this prohibition may also be limited to certain types of contracts or to certain administrations);
- exclusion from concessions, loans, contributions or subsidies and the possible revocation of those granted;
- the prohibition of advertising goods or services (article 9 of the Decree).

Bans have the characteristic of limiting or conditioning social activity, and in the most serious cases they paralyze the body (ban from exercising the activity) and can also be applied as precautionary instruments before sentencing (when serious evidence to believe that the body is liable for an administrative offense depending on a crime and there are well-founded and specific elements that make it possible to believe that there is a concrete danger that offenses of the same nature as the one for which they are being prosecuted are committed; article 45 of the Decree).

The bans are applied in the cases expressly provided for by the 231 Decree when at least one of the following conditions is met:

1. the body has made a significant profit from the crime and the crime was committed by top management subjects or by subordinates subject to the management of others and, in this case, the commission of the crime was determined or made easier by serious organizational deficiencies;
2. in case of repetition of the offences (article 13 of the Decree).

Bans have a duration of not less than three months and not more than two years and can be applied definitively in the most serious situations described in article 16 of the Decree (if the body is used for the sole or main purpose of allowing or facilitating the commission of crimes or when the body has already been convicted at least three times in the last seven years).

In addition to these sanctions there are other two sanctions:

- confiscation, which is always applied in the event of a conviction and has as its object the price or profit of the crime (except for the part that can be returned to the victim), or, if this is not possible, sums of money or other benefits of value equivalent to the price or profit of the crime; without prejudice to the rights acquired by the third party in good faith. Article 53 of the Decree provides for the possibility of ordering preventive seizure aimed at confiscation;
- the publication of the judgement, which can be ordered when a ban is applied to the body; the judgement is published only once, in excerpt or in full, in one or more newspapers chosen by the judge, and by posting it in the register of the municipality where the body is based. The publication is at the expense of the body and is carried out by the court registry; the purpose is to make the judgement of conviction known to the public.

Lastly, it must be considered that the enterprise is held liable even if the presupposed crime is in the form of an attempt (article 26 of the Decree). In this case, the financial penalties and bans are reduced from one third to half. The body is not liable when it voluntarily prevents the completion of the action or the realization of the event.

1.2. The list of crimes from which 231 liability may arise

The body's liability can arise only from the commission of the crimes expressly indicated in the Decree (also defined as “presupposed crimes”). The list of presupposed crimes has been constantly expanded since when the Decree came into force, and now covers several heterogeneous cases. Below the crimes from which the liability of the body may arise are listed:

1) Article 24 of the Decree – Undue receipt of funds, fraud to the detriment of the State, a public body or the European Union or to obtain public funds, computer fraud to the detriment of the State or a public body and fraud in public supplies [article modified by Law no. 161/2017, by Legislative Decree no. 75/2020 and by Law no. 137/2023]:

- defalcation to the detriment of the State or other public body (article 316-bis of the Penal Code) [Article modified by Legislative Decree no. 13/2022];
- improper collection of payments to the detriment of the state or other public body (article 316-ter of the Penal Code) [Article modified by Law no. 3/2019 and by Legislative Decree no. 13/2022];
- fraud against the state or a public body or European Communities (article 640 paragraph 2 no. 1 of the Penal Code) [Article modified by Legislative Decree no. 13/2022];
- aggravated fraud for obtaining public payments (article 640-bis of the Penal Code);
- computer fraud to the detriment of the state or other public body (article 640-ter of the Penal Code);
- fraud in public supplies (article 356 of the Penal Code) [introduced by Legislative Decree no. 75/2020];
- fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (article 2 of Law no. 898/1986) [introduced by Legislative Decree no. 75/2020];
- disturbed freedom of auctions (article 353 of the Penal Code) [article introduced by Law no. 137/2023];
- disturbed freedom of the procedure for choosing the contractor (article 353-bis of the Penal Code) [introduced by Law no. 137/2023].

2) Article 24-bis of the Decree - Computer crimes and illicit data processing [article added by Law no. 48/2008; modified by Legislative Decree no. 7 and 8/2016 and by Legislative Decree no. 105/2019]:

- IT documents (article 491-bis of the Penal Code);
- abusive access to a computer or telematic system (article 615-ter of the Penal Code);
- illegal possession, dissemination and installation of equipment, codes and other means for accessing IT or telematic systems (article 615-quater of the Penal Code) [article modified by Law no. 238/2021];
- illegal possession, propagation and installation of equipment, devices or IT programs aimed at damaging or interrupting an IT or telematic system (article 615-quinquies of the Penal Code) [article modified by Law no. 238/2021];
- unlawful interception, hindrance or interruption of computer or telematic communications (article 617-quater of the Penal Code) [article modified by Law no. 238/2021];
- illegal possession, dissemination and installation of equipment and other means capable of intercepting, preventing or interrupting IT or telematic communications (article 617-quinquies of the Penal Code) [article modified by Law no. 238/2021];
- damage to information, data and computer programs (article 635-bis of the Penal Code);
- damage to information, data and computer programs used by the State or other public body or in any case of public utility (article 635-ter of the Penal Code);
- damage to computer or telematic systems (article 635-quater of the Penal Code);
- damage to computer or telematic systems of public utility (article 635-quinquies of the Penal Code);
- computer fraud of the subject providing electronic signature certification services (article 640-quinquies of the Penal Code);
- violation of the rules on the perimeter of national cyber security (article 1 paragraph 11, Decree Law no. 105 of September 21, 2019).

3) Article 24-ter of the Decree - Organized crimes [article added by Law no. 94/2009 and modified by Law no. 69/2015]:

- criminal association (article 416 of the Penal Code) [article modified by Law no. 69/2015];
- mafia-type associations, including foreign ones (article 416-bis of the Penal Code);
- political-mafia electoral exchange (article 416-ter of the Penal Code) [thus replaced by article 1, paragraph 1 of Law no. 62 of April 17, 2014, starting from April 18, 2014, pursuant to the provisions of article 2, paragraph 1 of the same Law 62/2014];
- kidnapping for the purpose of robbery or extortion (article 630 of the Penal Code);
- association aimed at the illicit trafficking of narcotic or psychotropic substances (article 74 of Presidential Decree no. 309/09) [paragraph 7-bis added by Legislative Decree no. 202/2016];
- illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or place open to the public of war or war-like weapons or parts thereof, explosives, clandestine weapons, as well as more common firearms (article 407 paragraph 2, letter a, number 5);

- all crimes if committed using the conditions provided for by article 416-bis of the Penal Code to facilitate the activity of the associations provided for in the same article (Law no. 203/91).

4) Article 25 of the Decree - Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office [modified by Laws no. 190/2012, 3/2019 and by the Legislative Decree no. 75/2020]:

- illegal abuse of a position or office for personal gain (article 317 of the Penal Code) [article modified by Law no. 69/2015];
- corruption for the exercise of the function (article 318 of the Penal Code) [modified by Laws no. 190/2012, 69/2015 and 3/2019];
- Corruption for an act contrary to official duties (article 319 of the Penal Code) [modified by Laws no. 190/2012, 69/2015 and 3/2019];
- aggravating circumstances (article 319-bis of the Penal Code);
- corruption in judicial acts (article 319-ter of the Penal Code) [article modified by Law no.69/2015];
- undue inducement to give or promise benefits (article 319-quater of the Penal Code) [article added by Law no. 190/2012 and modified by Law no. 69/2015];
- corruption of a person in charge of a public service (article 320 of the Penal Code);
- punishment for the Corruptor (article 321 of the Penal Code);
- incitement to corruption (article 322 of the Penal Code.);
- influence peddling (article 346-bis of the Penal Code) [modified by Law no. 3/2019];
- embezzlement, excluding embezzlement of use (article 314, paragraph 1 of the Penal Code) [introduced by Legislative Decree no.75/2020];
- embezzled by profit from the error of others (article 316 of the Penal Code) [introduced by Legislative Decree no.75/2020];
- abuse of office (article 323 of the Penal Code) [introduced by Legislative Decree no. 75/2020];
- embezzlement, extortion, undue inducement to give or promise benefits, bribery and incitement to bribery of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organizations and officials of the European Communities and foreign states (article 322-bis of the Penal Code) [modified by Laws no. 190/2012 and 3/2019]

5) Article 25-bis of the Decree - Crimes relating to forgery of money, paper and bearer coupons issued by government and revenue stamps [article added by Legislative Decree no. 350/2001, amended and transformed into Law no. 409/2001; modified by Law no. 99/2009; modified by Legislative Decree no. 125/2016]:

- counterfeiting of money, spending and introduction into the State, after agreement, of counterfeit money (article 453 of the Penal Code);
- money alteration (article 454 of the Penal Code);

- counterfeiting of watermarked paper used for the manufacture of paper and bearer coupons issued by government or revenue stamps (article 460 of the Penal Code);
- manufacture or possession of watermarks or tools intended for counterfeiting money, revenue stamps or watermarked paper (article 461 of the Penal Code);
- spending counterfeit money and its introduction into the State, without agreement (article 455 of the Penal Code);
- spending of counterfeit money received in good faith (article 457 of the Penal Code);
- use of counterfeit or altered revenue stamps (article 464 paragraphs 1 and 2 of the Penal Code);
- forgery of revenue stamps, introduction into the State, purchase, possession or circulation of counterfeit revenue stamps (article 459 of the Penal Code);
- counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs (article 473 of the Penal Code);
- introduction into the State and trade of products with false signs (article 474 of the Penal Code).

6) Article 25-bis.1 of the Decree - Crimes against industry and commerce [article added by Law no. 99/2009]:

- disruption of the freedom of trade or industry (article 513 of the Penal Code);
- unlawful competition with threat or violence (article 513-bis of the Penal Code);
- fraud against international industries (article 514 of the Penal Code);
- fraud in the exercise of trade (article 515 of the Penal Code);
- sale of non-genuine food substances as genuine (article 516 of the Penal Code);
- sale of industrial products with misleading signs (article 517 of the Penal Code);
- manufacturing and trading of goods made by usurping industrial property rights (article 517-ter of the Penal Code);
- counterfeiting of geographical indications or designation of origin of agri-food products (article 517-quater of the Penal Code).

7) Article 25-ter of the Decree - Corporate crimes [article added by Legislative Decree no. 61/2002, modified by Laws no. 190/2012, 69/2015, and by Legislative Decrees no. 38/2017 and 19/2023]:

- false social communications (article 2621 and 2621-bis of the civil code) [article modified by Law no. 69/2015];
- minor events (2621-bis of the civil code);
- false corporate communications from listed companies (article 2622 of the civil code) [article modified by Law no. 69/2015];

- offence of impeding control (article 2625 paragraph 2 of the civil code);
- fictitious capital formation (article 2632 of the civil code);
- undue return of contributions (article 2626 of the civil code);
- illegal distribution of profits and reserves (article 2627 of the civil code);
- illegal operations on shares or quotas of the company or of the parent company (article 2628 of the civil code);
- transactions to the detriment of creditors (article 2629 of the civil code) [added by Law no. 262/2005];
- undue distribution of company assets by liquidators (article 2633 of the civil code);
- unlawful influence on the assembly (article 2636 of the civil code);
- agiotage (article 2637 of the civil code);
- failure to disclose the conflict of interest (article 2629-bis civil code);
- bribery between private individuals (article 2635 of the civil code) [added by Law no. 190/2012; modified by Legislative Decree no. 38/2017 and by Law no. 3/2019];
- incitement to corruption between private individuals (article 2635-bis civil code) [added by Law no. 190/2012; modified by Legislative Decree no. 38/2017 and by Law no. 3/2019];
- obstacle to the exercise of the functions of public supervisory authorities (article 2638 paragraphs 1 and 2 civil code);
- false or omitted declarations for the issuance of the preliminary certificate (article 54 of Legislative Decree no. 19/2023) [added by Legislative Decree no. 19/2023].

Article 25-ter of Legislative Decree no. 231/2001 - in letters d) and e) - provides for the liability of the body for the crime of accounting scandals, while continuing to refer to the offence of article 2623 of the civil code, paragraph 1 (article 25-ter letter d) and the crime *former* article 2623, paragraph 2 of the civil code (article 25-ter, letter e), now repealed. Prudentially, it is appropriate to integrate the model as if this reference was not only formal, i.e. aimed at the crime of accounting scandals as conceived - initially - in article 2623 of the civil code, but also concerning the subsequent amendments to the sanctioning discipline of the offence in question, now differently regulated by article 173-bis of the Consolidated Law on Finance (Legislative Decree no. 58/1998).

8) Article 25-quater of the Decree - Crimes committed with the purpose of terrorism or subversion of the democratic order [article added by Law no. 7/2003]

9) Article 25-quater.1 of the Decree - Practices of mutilation of female genital organs (article 583-bis of the Penal Code) [article added by Law no. 7/2006]

10) Article 25-quinquies of the Decree - Offences against the individual [article added by Law no. 228/2003; modified by Law no. 199/2016]:

- reduction or maintenance in slavery or servitude (article 600 of the Penal Code);
- trafficking of persons (article 601 of the Penal Code);
- purchase and sale of slaves (article 602 of the Penal Code);

- illicit intermediation and labor exploitation (article 603-bis of the Penal Code);
- child prostitution (article 600-*bis* paragraphs 1 and 2 of the Penal Code);
- child pornography (article 600-*ter* of the Penal Code);
- tourism initiatives aimed at exploiting child prostitution (article 600-*quinqies* of the Penal Code);
- possession of pornographic material (article 600-*quater* of the Penal Code) [article modified by Law no.238/2021];
- virtual pornography material (article 600-*quater.1* of the Penal Code) [added by article 10, Law no.38 of February 6, 2006];
- Solicitation of children (article 609-*undecies* of the Penal Code) [article modified by Law no.238/2021].

11) Article 25-*sexies* of the Decree - Crimes of "market abuse" [article added by Law no. 62/2005]:

- abuse or communication of privileged information. Recommending or inducing others to commit abuse of privileged information (article 184 of Legislative Decree no. 58 of February 24, 1998) [article modified by Law no. 238/2021];
- market manipulation (article 185 of Legislative Decree no. 58 of February 24, 1998 [article modified by Legislative Decree no. 107/2018 and by Law no. 238/2021].

The body is also called to answer for the administrative sanctions provided for in articles 187-*bis* and 187-*ter* of Legislative Decree no. 58 of February 24, 1998, which punishes acts of abuse of privileged information and market manipulation, without prejudice to criminal sanctions when the fact represents a crime. In this case, pursuant to article 187-*quinqies* the body is liable for administrative offenses committed in its interest or to its advantage.

12) Article 25-*septies* of the Decree - Crimes of homicide and negligent injury committed in violation of accident prevention regulations and the protection of hygiene and health at work [article added by Law no. 123/2007; modified by Law no. 3/2018]:

- manslaughter (article 589 of the Penal Code);
- negligent, serious or very serious personal injury (article 590, comma 3 of the Penal Code), if the same have been committed violating the safety, hygiene and health regulations at work.

13) Article 25-*octies* of the Decree - Crimes of receiving, laundering and use of money, goods or benefits of illicit origin as well as self-laundering [article added by Legislative Decree no. 231/2007; modified by Law no. 186/2014 and by Legislative Decree no. 195/2021]:

- receiving stolen goods (article 648 of the Penal Code) [article modified by Legislative Decree no. 195/2021];

- money laundering (article 648-*bis* of the Penal Code) [article modified by Legislative Decree no. 195/2021];
- use of money, goods or benefits of illicit origin (article 648-*ter* of the Penal Code) [article modified by Legislative Decree no. 195/2021];
- self-laundering (article 648-*ter*.1.) [article modified by Legislative Decree no. 195/2021].

14) Article 25-*octies*.1 of the Decree - Crimes relating to payment instruments other than cash [article added by Legislative Decree 184/2021 and modified by Law no. 137/2023]:

- undue use and falsification of payment instruments other than cash (article 493-*ter* of the Penal Code);
- possession and dissemination of equipment, devices or computer programs aimed at committing crimes involving payment instruments other than cash (article 493-*quater* of the Penal Code);
- computer fraud aggravated by the creation of a transfer of money, monetary value or virtual currency (article 640-*ter* of the Penal Code);
- fraudulent transfer of values (article 512-*bis*) [article introduced by Law no. 137/2023].

15) Article 25-*novies* of the Decree - Crimes relating to copyright infringement [article added by Law no. 99/2009; modified by Law no. 93/2023]:

- making available to the public a protected intellectual work, or part of it, in a system of telematic networks through connections of any kind (article 171, Law no. 633/1941 paragraph 1 letter. a)-*bis*);
- offenses referred to in the previous point committed on the works of others not intended for publication if their honor or reputation is offended (article 171, Law no. 633/1941 paragraph 3);
- illegal duplication of computer programs for profit; import, distribution, sale or possession for commercial or business purposes or leasing of programs contained in media not marked by the SIAE; provision of means to remove or circumvent the protection devices of computer programs (article 171-*bis* Law no. 633/1941 paragraph 1);
- reproduction, transfer to another medium, distribution, communication, presentation or demonstration in public of the contents of a database; extraction or reuse of the database; distribution, sale or leasing of databases (article 171-*bis* Law no. 633/1941 paragraph 2);
- unauthorized duplication, reproduction, transmission or diffusion in public by any procedure, in whole or in part, of intellectual works intended for the television or cinema, for the sale or rental of disks, tapes or similar supports or any other medium containing phonograms or videograms of similar musical, cinematographic or audio-visual works or sequences of moving images; literary, dramatic, scientific or didactic, musical or musical dramatic, multimedia works, even if included in collective or composite works or databases; unauthorized reproduction, duplication, transmission or diffusion, sale or trade, transfer for any reason or illegal import of more than fifty copies or specimens of works protected by copyright and related rights; entry into a

system of telematic networks, through connections of any kind, of an intellectual work protected by copyright, or part of it (article 171-ter Law no. 633/1941);

- failure to notify SIAE of the identification data of the media not subject to marking, or false declaration (article 171-septies Law no. 633/1941);
- fraudulent production, sale, import, promotion, installation, modification, public and private use of equipment or parts of equipment suitable for decoding conditional access audio-visual broadcasts carried out over the air, via satellite, via cable, in both analogue and digital form (article 171-octies Law no. 633/1941).

16) Article 25-decies of the Decree - Induction not to make or to make false statements to the judicial authority (article 377-bis of the Penal Code) [article added by Law no. 116/2009].

17) Article 25-undecies of the Decree - Environmental crimes [article added by Legislative Decree no. 121/2011, modified by Law no. 68/2015, modified by Legislative Decree no. 21/2018 and by Law no. 137/2023], particularly:

- environmental pollution (article 452-bis of the Penal Code) [article modified by Law no. 137/2023];
- environmental disaster (article 452-quater of the Penal Code) [article modified by Law no. 137/2023];
- negligent crimes against the environment (article 452-quinquies of the Penal Code);
- environmental pollution and culpable environmental disaster (article 452-quinquies of the Penal Code);
- criminal association and mafia-type association aggravated by the purpose of committing environmental crimes (article 452-octies of the Penal Code);
- trafficking and abandonment of highly radioactive material (article 452-sexies of the Penal Code);
- organized activities for the illicit trafficking of waste (article 452-quaterdecies of the Penal Code)
- killing, destruction, capture, collection, detention of specimens of protected wild animal or plant species (article 727-bis of the Penal Code);
- destruction or deterioration of habitats within a protected site (article 733-bis of the Penal Code);
- unauthorized waste management activities (article 256 of the Legislative Decree no. 152/2006);
- pollution of the soil, subsoil, surface water or groundwater (article 257 of the Legislative Decree no. 152/2006);
- site remediation (article 257 of the Legislative Decree no. 152/2006);
- violation of the obligations of communication, keeping of mandatory registers and forms (article 258 of Legislative Decree no. 152/2006);
- Illicit trafficking of waste (article 259 of Legislative Decree no. 152/2006);
- organized activities for the illicit trafficking of waste (article 260 of Legislative Decree no. 152/2006);

- IT system for monitoring the traceability of waste (article 260-bis Legislative Decree no. 152/2006);
- sanctions (article 279 of Legislative Decree no. 152/2006);
- import, export, re-export of endangered animal and plant species (article 1 of Law no. 150/1992);
- falsification or alteration of certificates, licenses, import notifications, declarations, communications of information to acquire a license or a certificate, to use false or altered certificates or licenses (article 3-bis of Law no. 150/1992);
- cessation and reduction of the use of harmful substances (article 3, comma 6, of Law no. 549/1993);
- malicious pollution of ships (article 8 of Legislative Decree no. 202/2007);
- malicious pollution of ships (article 9 of Legislative Decree no. 202/2007).

18) Article 25-duodecies of the Decree - Crime of employment of illegally staying third-country nationals [article added by Legislative Decree no. 109/2012, modified by Law no.161 of October 17, 2017, and by Legislative Decree no. 20/2023]:

- provisions against illegal immigration (article 12, paragraph 3, 3-bis, 3-ter and paragraph 5, of Legislative Decree no. 286/1998) [article modified by Legislative Decree no. 20/2023];
- employment of third-country nationals whose residence is illegal (article 22, paragraph 12-bis, of Legislative Decree no. 286/1998).

19) Article 25-terdecies of the Decree - Racism and xenophobia crimes [article added by Law no.167 of November 20, 2017; modified by Legislative Decree no. 21/2018];

20) Article 25-quaterdecies of the Decree - Fraud in sports competitions, illegal gambling or betting and gambling exercised by means of prohibited devices [article added by Law no. 39/2019].

21) Article 25-quinquiesdecies of the Decree - tax offences [article added by Law no. 157/2019 and by Legislative Decree no. 75/2020]:

- fraudulent declaration using invoices or other documents for non-existent operations (article 2 of Legislative Decree no. 74/2000);
- fraudulent declaration through other devices (article 3 of Legislative Decree no. 74/2000).
- unfaithful declaration (in case of serious cross-border VAT fraud, article 4 of Legislative Decree no. 74/200);
- omitted declaration (in case of serious cross-border VAT fraud, article 5 of Legislative Decree no. 74/200);
- omission of invoices or other documents for non-existent operations (article 8 of Legislative Decree no. 74/2000);
- concealment or destruction of accounting documents (article 10 of Legislative Decree no. 74/2000);

- undue compensation (in the event of serious cross-border VAT fraud, article 10-quater of Legislative Decree no. 74/2000);
- fraudulent evasion of the payment of taxes (article 11 of Legislative Decree no. 74/2000).

22) Article 25-sexiesdecies of the Decree - The smuggling offenses provided for by the Decree no. 43 of the President of the Republic of January 23, 1973, modulating the sanction according to whether the crime exceeds the threshold of 100,000 Euros or not, beyond which the damage to the financial interests of the EU must be deemed considerable: [article added by Legislative Decree no. 75/2020]:

- smuggling in the movement of goods across land borders and customs spaces (article 282 of Presidential Decree no. 43/1973);
- smuggling in the movement of goods in border lakes (article 283 of Presidential Decree no. 43/1973);
- smuggling in the maritime movement of goods (article 284 of Presidential Decree no. 43/1973);
- smuggling in the movement of goods by air (article 285 of Presidential Decree no. 43/1973);
- smuggling in non-customs areas (article 286 of Presidential Decree no. 43/1973);
- smuggling for improper use of goods imported with customs facilities (article 287 of Presidential Decree no. 43/1973);
- smuggling in customs warehouses (article 288 of Presidential Decree no. 43/1973);
- smuggling in cabotage and traffic (article 289 of Presidential Decree no. 43/1973);
- smuggling in the export of goods eligible for restitution of rights (article 290 of Presidential Decree no. 43/1973);
- contraband in temporary import or export (article 291 of Presidential Decree no. 43/1973);
- smuggling of foreign manufactured tobaccos (article 291-bis of Presidential Decree no. 43/1973);
- aggravating circumstances of the crime of smuggling foreign manufactured tobacco (article 291-ter of Presidential Decree no. 43/1973);
- criminal association aimed at smuggling foreign manufactured tobacco (article 291-quater of Presidential Decree no. 43/1973);
- other cases of smuggling (article 292 of Presidential Decree no. 43/1973);
- aggravating circumstances of smuggling (article 295 of Presidential Decree no. 43/1973).

23) Article 25-septiesdecies of the Decree - Crimes against cultural heritage [Article added by Law no. 22/2022 and modified by Law no. 6/2024]:

- theft of cultural property (article 518-bis of the Penal Code);
- misappropriation of cultural property (article 518-ter of the Penal Code);

- receipt of cultural goods (article 518-quater of the Penal Code);
- falsification of private documents relating to cultural assets (article 518-octies of the Penal Code);
- violations regarding the alienation of cultural property (article 518-novies of the Penal Code);
- illicit import of cultural goods (article 518-decies of the Penal Code);
- illicit exit or export of cultural goods (article 518-undecies of the Penal Code);
- destruction, dispersion, deterioration, disfigurement, soiling and illicit use of cultural or landscape assets (article 518-duodecies of the Penal Code);
- counterfeiting of works of art (article 518-quaterdecies of the Penal Code).

24) Article 25-duodevicies of the Decree - Laundering of cultural assets and devastation and looting of cultural and landscape assets [article added by Law no. 22/2022]:

- counterfeiting of works of art (article 518-quaterdecies of the Penal Code);
- laundering of cultural goods (article 518-sexies of the Penal Code);
- devastation and looting of cultural and landscape assets (article 518-terdecies of the Penal Code).

25) "Transnational" crimes (article 10 of Law no. 146/2006). The article 10 of Law no. 146 of March 16, 2006, provides for the administrative liability of the entity, limited to the case in which they have a "transnational" nature² pursuant to article 3 of the same Law, for the crimes of:

- criminal association (article 416 of the Penal Code);
- mafia-type associations, including foreign ones (article 416-bis of the Penal Code);
- criminal association aimed at smuggling foreign manufactured tobacco (article 291-quater of Presidential Decree no. 43 of January 23, 1973);
- association aimed at the illicit trafficking of narcotic substances (article 74 of Presidential Decree no. 309 of October 9, 1990);
- acts aimed at procuring the illegal entry of a foreigner into the national territory and aiding and abetting his stay to obtain an unfair profit (article 12 paragraph 3, 3-bis, 3-ter and 5 of Legislative Decree no. 286 of July 25, 1998);
- inducement not to make statements or to make false statements to the judicial authority (article 377-bis of the Penal Code);
- personal aiding and abetting (article 378 of the Penal Code).

26) Liability of entities for administrative offenses dependent on crime (Article 12 of Law no.9/2013) [They represent a prerequisite for entities operating within the virgin olive oil supply chain].

² A transnational crime is a crime punished with a prison judgement of no less than four years, if an organized criminal group is involved, as well as: a) it is committed in more than one State; b) i.e. it is committed in one State, but a substantial part of its preparation, planning, direction or control takes place in another State; c) i.e. it is committed in one State, but an organized criminal group engaged in criminal activities in more than one State is involved; d) i.e. it is committed in one State but has substantial effects in another State.

2 SINERGIA S.P.A.: GOVERNANCE AND ORGANIZATIONAL MODEL

The corporate purpose of Sinergia S.p.A. ("Sinergia") is the manufacturing, production, design, assembly, transformation, repair, processing, installation, manipulation, both in artisanal and industrial form, of appliances, materials, machinery, and electrical, electronic, plastic, mechanical, hydro-pneumatic, soundproofing, hydraulic and fluid dynamic plants. Sinergia is specialized in the design and manufacture of installations for the production, treatment and filtration of compressed air and technical gases.

The corporate organization is aimed at allowing maximum efficiency and operational effectiveness, with the adoption of a system that provides for the presence of a Board of Directors with administrative functions, a board of statutory auditors / single auditor with control functions on the administration and the auditor, all appointed by the shareholders' meeting.

The organizational structure of the Company is aimed at guaranteeing the separation of roles, tasks and responsibilities among the various functions, even though many activities are carried out in *teams* and in full coordination among the various functions in charge.

The following corporate functions operate in Sinergia:

- Administration Board
- Administration & Finance Department
- HR Department
- Legal Department
- Infrastructure Department
- ICT Department
- QHSE Department
- Marketing Department
- Commercial Department
- Operations Department
- Engineering Department
- Inspection Department
- Service Department
- Business Development Department
- PM
- R&D Department
- Automation Department
- Procurement Manager

In carrying out some activities Sinergia makes use or can make use of third parties who, based on contracts, provide services (agency, consultancy, cleaning, maintenance, processing) and support to Sinergia.

Regarding the organization of workplace safety pursuant to Legislative Decree no. 81/2008, the Company identified: a) the Employer; b) the Head of the Prevention and Protection Service; c) first aid, firefighting and emergency management staff; d) the workers' safety representative; e) the competent doctor.

3 THE 231 ORGANIZATIONAL MODEL OF SINERGIA S.p.A.

In compliance with its company policies, Sinergia has deemed to proceed with the adoption and implementation of the Organization, Management and Control Model envisaged by the 231 Decree, because it is susceptible to the need to ensure conditions of fairness and transparency in the conduct of business and company activities, and to protect the position and image, expectations and work of its employees.

The discipline of bodies' administrative liability deriving from a crime provides on the one hand a sanctioning system with deterrent capabilities, and on the other a tool for preventing the body's liability, achievable through the adoption of organization models (the so-called *compliance programs*) and the mitigation of the harmful consequences of the unlawful act through the holding of remedial conducts.

Article 6 of the Decree establishes that if the crime is committed by top management subjects, the body is not liable if it is proved that:

- a. *before the offense was committed*, the management body has adopted and effectively implemented *organizational and management models suitable for preventing crimes of the type that occurred*;
- b. the task of supervising the functioning and observance of the models and ensuring their updating has been entrusted to an organization of the body with autonomous powers of initiative and control;
- c. the persons committed the crime by fraudulently circumventing organizational and management models;
- d. there has been no omission or insufficient supervision by the body referred to at the point b.

The organizational models referred to in point (a) shall meet the following requirements:

- a. identify activities in which crimes may be committed;
- b. provide for specific protocols aimed at programming the formation and implementation of decisions of the institution in relation to the crimes to be prevented;
- c. identify ways of managing financial resources suitable to prevent the commission of crimes;
- d. provide for information obligations towards the body responsible for monitoring the operation and observance of the models;
- e. introduce an appropriate disciplinary system to sanction non-compliance with the measures indicated in the model.

The organizational models referred to in paragraph 1, letter a), also provide, pursuant to the Legislative Decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October, 2019 (so-called Whistleblowing), the internal reporting channels, the prohibition of retaliation and the disciplinary system referred to in the previous letter e).

Article 7 of the Decree, in specifying that the liability of the entity emerges even if the offense is committed by a person "subject" to the management or supervision of others, reiterates the exclusion of the entity's liability in the case of the adoption and effective implementation of a model which *"provides, in relation to the nature and size of the organization as well as the type of activity carried out, suitable measures to guarantee the performance of the activity in compliance with the Law and to promptly discover and eliminate risk situations"*.

The effective implementation of the model requires: a) the periodic verification and possible modification of the same when significant violations of the requirements are discovered or when changes occur in the organization or in the activity; b) a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model.

In addition, with regard to occupational health and safety offences covered by article 25-septies of Legislative Decree no. 231/2001, article 30 of Legislative Decree no. 81/01 ("Consolidated Law on health and safety in the workplace") establishes that the organization and management model suitable to have the effect of exempting the administrative liability of legal persons pursuant to Decree 231, must be adopted and effectively implemented, ensuring a company system for the fulfilment of all legal obligations relating to:

- a. compliance with the technical and structural standards of Law relating to equipment, plants, workplaces, chemical, physical and biological agents;
- b. the activities of risk assessment and preparation of the consequent prevention and protection measures;
- c. organizational activities, such as emergencies, first aid, procurement management, periodic safety meetings, consultations with workers' safety representatives;
- d. health surveillance activities;
- e. information and training activities for workers;
- f. supervisory activities regarding the compliance of workers with safe working procedures and instructions;
- g. the acquisition of documentation and certifications mandatory by Law;
- h. periodic checks on the application and effectiveness of the procedures adopted.

3.1. Purpose of the 231 Model

The 231 Model of Sinergia aims at preventing the commission of crimes and suppressing any illegal behavior carried out in the context of the corporate activity.

This objective is pursued by identifying sensitive activities in the context of which there is a risk of commission of the crime with varying degrees of intensity. For each sensitive activity, the organizational system of the company imposes rules and procedures aimed at preventing the commission of risky crimes and an adequate internal control system.

The model, organized in this way, also with reference to internal procedures, has the following goals:

- identify activities in which crimes may be committed;

- define the behaviors that are considered illegal by the society, as well as by the Law;
- provide for specific protocols aimed at programming the formation and implementation of decisions of the institution in relation to the crimes to be prevented;
- identify training and information obligations towards all recipients of the model;
- provide for information obligations towards the Supervisory Body;
- identify and regulate procedures to prevent the commission of crimes;
- introduce an appropriate disciplinary system to prevent violations of the model.

To define the 231 Model and prevent the commission of the crimes foreseen in Decree 231, the following activities have been implemented, in accordance with Confindustria's Guidelines:

- identification of areas at risk of committing a crime;
- identification of existing procedures within the company;
- identification of potential residual risks;
- identification of procedures to eliminate or reduce residual risks;
- identification of the Supervisory Body;
- adoption of a disciplinary system to be implemented in case of violation of the rules imposed by the Model;
- definition of the methods of training, information and diffusion of the Model; definition of the modalities to update the Model.

3.2. Identification of activities at risk, potential risks and identification of procedures

The risk analysis activity was carried out after the interviews carried out with the staff and managers of the main functions and the study of existing corporate documents and procedures.

The activity carried out made it possible to understand the company's organization and evaluate the activities carried out with reference to the risk of committing crimes. This has made it possible to elaborate and develop an organization model based on the concrete situations that characterize the operational activity of the Company, taking into consideration the actual activities and organizational structures of the same.

Considering the Confindustria Guidelines, the operational steps towards the implementation of a risk management system can be summarized according to the following points:

- **mapping of the corporate areas at risk and of the relevant crimes** pursuant to Legislative Decree 231/2001, with identification of the functions involved;
- **analysis of potential risks**, which must concern the possible methods of implementing the offenses, through the "*documented map of the potential methods of implementing the offenses in the areas at risk identified in the previous point*" (Confindustria Guidelines);

- **evaluation / construction / adaptation of the preventive control system**, to prevent the commission of the offenses envisaged by the Decree through the description of the preventive control system activated, with details of the individual components of the system, as well as any necessary adjustments.

The analysis of the organizational structure and company operations, also carried out through numerous interviews with employees and managers of the company, made it possible to:

- a) collect and analyze the essential documentation (organization chart, corporate acts, regulations and procedures, relevant contracts etc.);
- b) identify the types of offense that are abstractly applicable and relevant to the Company;
- c) carry out a survey of the company areas at risk in the context of which the crimes envisaged by the Decree could be abstractly committed (or attempted), independently or in collaboration with third parties. This activity involved the study of the individual operations and activities carried out by the company, the concrete operating procedures, the division of responsibilities, the system of proxies and powers of attorney.

Within each area at risk, the "*sensitive activities*" have been identified in detail, i.e. those activities to which the potential risk of commission of crimes could be connected - directly or indirectly. The identification of sensitive activities also allowed the identification of the parties involved, the functions and roles potentially involved in the risk.

The analysis continued by identifying the procedures and practices already in force which, even if originally envisaged for different purposes, are suitable for preventing the commission of crimes and controlling the identified risk.

The procedures and practices already in force were compared with the needs and requirements imposed by the 231 Decree, to identify any residual risks, i.e. those risks of commission of liable offenses not sufficiently covered by the already existing procedures.

The identified shortcomings have been filled through the identification of protocols and procedures aimed at preventing the risk of crime identified (**gap analysis**). The protocols and procedures and the rules provided for in this model shall be made official and binding on all the recipients of the Model.

The definition of the protocols is completed and integrated with the Sinergia's Code of Ethics which is an integral part of the Model (attachment 3), and which represents the basis of the rules detailed in the Model. It's the instrument that expresses the principles of corporate ethics that the company recognizes as its own and on which it bases a safe, transparent and correct management of the activities of all employees.

3.3. Structure of the 231 Model

The Model adopted by Sinergia is composed of this general part and the special part, in which the categories of crime for which there is a non-negligible risk of crime following the risk analysis are explored.

For each category of crimes, the special part is structured in four sections thus identified:

1. description of the offences under consideration;
2. identification of risk and sensitive areas;
3. general principles of behavior;
4. specific protocols and / or referral to internal procedures.

3.4. Recipients and scope of the 231 Model

The model is intended for all employees, managers and directors of the Company, who also receive specific training in this regard.

In the applicable part, the Model is also intended for external collaborators, intended both as natural persons (consultants, professionals etc.) and as a company which, by contract, collaborate with Sinergia for the realization of their activities. The contract with external collaborators must take into consideration specific clauses that make it possible to guarantee compliance with the Model or in any case, compliance with Legislative Decree 231/2001.

In any case, before binding to third parties with stable contractual obligations Sinergia will have to carry out an adequate *due diligence* procedure. This is aimed at verifying, among other things, the reputation of the subject with whom it intends to contract and of its main representatives, shareholders and administrators, its financial and capital stability, its competence and technical experience to implement the service requested and subject of the contract, its references and relations with public authorities.

The Company has taken steps to adopt suitable procedures for these risks, as shown and detailed in the Special Part.

4 THE SUPERVISORY BODY

A Supervisory Body has been established at Sinergia as a function with all the necessary powers to ensure timely and efficient supervision of the functioning and observance of the 231 Model, in line with the provisions of article 6 of Legislative Decree no. 231/2001 and any subsequent amendments.

The requirements of the Supervisory Body can be identified from the Decree, to ensure that the supervision of the functioning of the model is "effective".

1. Autonomy and independence, as the activities of the Supervisory Body must be carried out without any form of interference and/or conditioning by internal subjects of the company. The Supervisory Body and its members, understood individually, are not assigned operational tasks and participation in decisions or operational activities is excluded to protect and ensure the objectivity of its judgment (see preliminary investigations magistrate Court of Rome, p. 58 of April 4, 2013). The Supervisory Body is equipped with adequate financial resources necessary for the proper performance of its activities and independently adopts its own Regulations.

2. Professionalism of its members, who must be equipped with wealth of expertise both in terms of the verification and analysis of the control system, and in terms of legal skills, in particular criminal Law and skills regarding the sector in which the Company operates (see Confindustria's Guidelines page 59). For special needs, the Supervisory Body can contact the company and group functions or external consultants.

3. Continuity of action, to ensure the effective and constant implementation of the model, it is necessary to have an organization dedicated to supervising the Model full time. This can be satisfied, for example, through the presence of internal components, which, under the conditions indicated above in the point of autonomy and independence, can offer an assiduous contribution. The continuity of action therefore implies ongoing supervision of the functioning and observance of the Model, to ensure its updating to internal (organizational or resulting from particular events) and external changes (reforms of the Decree or introduction of new offenses).

4. Integrity and absence of conflicts of interest. To ensure the effective existence of the requirements already described (autonomy, independence, continuity of action and professionalism) it is appropriate that the members possess the formal subjective requirements that further guarantee the autonomy and independence required by the task, such as integrity, absence of conflicts of interest and kinship relations with the top management. According to the relevant jurisprudence (Court of Milan, September 20, 2004 and Court of Naples, June 26, 2007) even a simple non-definitive judgement could represent a condition that does not guarantee sufficient independence to cover the role of member of the Supervisory Body.

4.1. Composition and appointment

Sinergia's Supervisory Body is made up of one or three subjects, chosen based on specific technical skills related to the identified risk profiles, the sector in which the Company operates, its size and organization.

One of the Supervisory Body members must have expertise in the analysis of control systems and criminal Law. Some of the members of the Supervisory Body may also be internal, without prejudice to its nature of autonomy and independence, guaranteed, for example, through the identification of most of the members of the Supervisory Body among the "external" subjects. The Supervisory Body can have adequate staff.

The Board of Directors appoints the members of the Supervisory Body, determines the duration of its office, its powers, responsibilities, duties in accordance with what is established in the Model.

In the act of appointment, the Board of Directors can establish a specific duration (which can range from a minimum of 1 to a maximum of 3 years), at the end of which the Supervisory Body can be renewed, or it can provide that the Supervisory Body remains in office until the end of the mandate of the Board of Directors that appoints it.

In choosing the members of the body the primary requirement shall be to:

- ensure impartiality between the Supervisory Body and the persons subject to its supervision;
- prevent a situation of conflict of interest (de jure or de facto) with the company also through its family members;
- avoid persons who are banned, disabled, bankrupt or judged to a penalty that involves the ban, even temporary, from public offices or the inability to exercise managerial offices.

If, during the appointment, a cause for forfeiture should arise, the member of the Supervisory Body is required to immediately inform the Board of Directors, which immediately will appoint the new member of the Supervisory Body. In the meantime, the Supervisory Body will operate in a reduced composition.

The Supervisory Body appoints the President among its members: it's preferred that the President is chosen from among the "external" members.

At the time of appointment, the Board of Directors establishes the remuneration due to the members of the Supervisory Body, which must be considered in the preparation of the company budget. The Supervisory Body must be guaranteed the possibility of having a sum of money, decided at the beginning by the Board of Directors, if specific needs arise for the proper performance of the tasks (e.g. specialist advice, travel allowance etc.).

In the event of a temporary impediment of one or more members of the Supervisory Body, lasting more than three months, the Board of Directors may appoint one or more substitutes. The substitute resigns from the office when the impediment that led to his appointment ceases.

Pursuant to article 6, paragraph 4-bis of Legislative Decree no. 231/2001, as amended by Law no. 183/2011, the functions of the Supervisory Body can be attributed to the Board of Statutory Auditors until the expiration of the mandate. In this case, the references to the Supervisory Body contained in this regulation are intended as the Board of Statutory Auditors, without prejudice to further specifications.

4.2. Termination of the office

The revocation of the Supervisory Body and of each member is the sole responsibility of the person exercising the powers of appointment and therefore of the BoD, with a decision taken with a qualified majority of two thirds of those present.

The majority will be deemed adequate when at least two thirds of the present directors, and therefore voting, are in favor of the dismissal, but this number of directors cannot be less than half plus one of the total numbers of all the Company's directors.

The members of the Supervisory Body can only be revoked exclusively for just cause as well as for the following cases (including but not limited to):

- a. following a conviction, with a final judgment, for having committed one of the offenses provided for by Legislative Decree no. 231/2001, i.e. a penalty that involves the interdiction, even temporary, from public offices or from the management of legal persons;
- b. the judgement, even if not final, for any crime against the assets;
- c. interdiction or incapacity, or a serious illness that makes the member of the Supervisory Body unsuitable for carrying out his / her supervisory functions, or an illness that, in any case, entails his absence from the workplace for more than six months;
- d. of operational stasis;
- e. of culpable inertia in carrying out internal reports or a conflict of interest occurred;
- f. attribution of functions and operational responsibilities incompatible with the requirements of autonomy of initiative and control as well as independence and continuity of action, which are proper to the Supervisory Body;
- g. following a conviction of the Company pursuant to the Decree, which has become final, or a criminal proceeding concluded through the so-called "plea bargaining", where the "omitted or insufficient supervision" by the Supervisory Body appears from the documents, in accordance with the provisions of article 6, paragraph 1, letter. d) of the Decree.

In particularly serious cases, even before the *res judicata*, the Board of Directors may order the suspension from the office of the Supervisory Body and the appointment of an *interim*.

Each member of the Supervisory Body may withdraw from the assignment at any time by giving at least 1 months' notice, without giving any reasons.

4.3. The Supervisory Body regulation

The Supervisory Body adopts, based on the provisions of the Model, its own internal regulations that establish the operating rules for carrying out the activity and the concrete methods of exercising its action, as well as its own organizational and operating system.

By way of example, the regulation may set the rules for:

- the functioning and internal organization of the Supervisory Body (e.g. the methods of convening, minutes of meetings etc.);
- the type and frequency of the adequacy verification and supervision activities on the effective functioning of the Model;
- how relevant documentation is kept;
- management of information flows to corporate bodies.

4.4. Functions and powers of the Supervisory Body

In accordance with the provisions of Art, 6, of 231 Decree and the Confindustria Guidelines, Sinergia's Supervisory Body has the task to:

- verify the adequacy of the model with respect to the legislation, the specific risks and the concrete activity carried out, to prevent the commission of crimes;
- verify the effectiveness of the Model, or the correspondence between the concrete behaviors and those formally provided for by the Model itself;
- monitor compliance with the methods and procedures provided for by the model and detect any behavioral deviations that may emerge from the analysis of the information flows and from the reports which the heads of the various functions are required to carry out;
- verify the updating of the Model, activating and proposing, if necessary, to the Board of Directors or to the competent corporate organizational units, the modification or adaptation of the same, to improve its adequacy and effectiveness, in case of significant violations of the provisions of the model itself; significant changes in the internal structure of the company and/or in the business activity; regulatory changes;
- verify the concrete implementation of the Model, or the information and training on it, promoting and monitoring the execution of activities aimed at promoting the diffusion and compliance with the Model by all recipients of the same (by way of example, through courses training and updating);

- evaluate requests for information or clarification from all recipients of the Model;
- manage the information flows related to the Model (to and from the Supervisory Body), ensuring the timely fulfilment, by the interested parties, of all reporting activities relating to compliance with the Model, evaluating all the reports received that may be connected to the Model or to the Decree, informing the corporate bodies of the activities carried out and planned, reporting any violations of the Model and the persons responsible, proposing the sanction deemed most appropriate with respect to the specific case;
- report those violations of the Model that may lead to the onset of liability on the part of the body to the management body, for the purpose of taking appropriate measures;
- prepare, on at least an annual basis, an information report regarding the verification and control activities carried out and the outcome of the same, for the Board of Directors, providing for the transmission of the same report also in favor of the board of statutory auditors or the single auditor.

The Supervisory Body has inspection and control powers not with reference to the commission of crimes, but for the operation and observance of the organizational and management Model.

In carrying out the assigned tasks, the Supervisory Body has unlimited access to Company information allowing investigation, analysis and control activities; the Supervisory Body is required to be absolutely confidential on this information, without prejudice to the use of information and data for the exercise of its institutional duties.

In the face of legitimate and motivated requests by the Supervisory Body or the occurrence of events or circumstances relevant to the performance of the activities pertaining to the Supervisory Body, any employee and / or member of the bodies is obliged to provide the requested data.

If the recipients of the Supervisory Body request intend to object to the company secrecy on particular data or the abuse of inspection powers by the Supervisory Body, they must immediately inform the Board of Directors, which will take all information in this regard and decide on the matter. In any case complete written documentation must be kept regarding the request, the opposition and the decision of the Board of Directors.

4.5. Reporting to the Supervisory Body and information flows within the company (*whistleblowing*)

The Supervisory Body shall report the results of its control activities directly to the Board of Directors and shall not be hierarchically dependent on any of the company functions.

The Supervisory Body must be informed, by means of specific reports from the Employees, the Corporate Bodies, Consultants and commercial and financial partners, of any event or situation that could lead to the responsibility of Sinergia pursuant to article 6, paragraph 2, letter d) of Legislative Decree no. 231/2001.

Reports shall be submitted as follows:

1. by electronic mode, to the e-mail address odv@sinergia-it.com;
2. by electronic mode, to the e-mail address sinergiaodv@gmail.com accessible only to the president or sole member of the OdV who, as an external entity of the company, guarantees its confidentiality;
3. in paper form, by internal mail in a closed envelope bearing the words "reserved/personal " on the outside, to the following address: SINERGIA S.p.A. to the kind attention of the Supervisory Body, at the legal office.

The company employees and managers are obliged to refer any news regarding the violation of the Model or of its elements, or any relevant aspect to the application of the Decree to the Supervisory Body immediately, even if the alleged violation is on the account of subjects not belonging to Sinergia. The violation of this obligation may result in the application of a disciplinary sanction.

By way of example, the following must be communicated to the Supervisory Body:

- notifications of acts or acts carried out by the judicial police or any other authority regarding investigations that concern the company, its employees or its corporate bodies, even indirectly;
- the initiation of disciplinary proceedings against employees;
- the initiation of civil proceedings against third parties or the opening of any other type of judicial proceedings against employees, collaborators, customers or third parties;
- requests for legal assistance made to the company by employees, in the event of the initiation of criminal proceedings against them;
- any reports concerning the discipline on health and safety at work;
- any behavior or requests to behave in contrast with the Law, internal procedures or the Model;
- changes in the organization (including changes in powers and proxies) and in business procedures;
- participation in public tenders or request for public funding;
- communications from the Board of Statutory Auditors and the independent auditors relating to any critical issues that have emerged, even if they are solved;

- the news related to the effective implementation, at all levels of the company, of the organizational model, with evidence of the disciplinary procedures carried out and of the possible penalties imposed;

The Supervisory Body will act in such a way as to guarantee the whistle-blowers against any form of retaliation, discrimination or penalization, also ensuring the confidentiality of the whistle-blower's identity, without prejudice to the legal obligations and the protection of the rights of the Company or of any persons accused erroneously and / or in bad faith.

Details on the operational modalities of the management of reports are included in the procedure "Management of reports of relevant illegal conduct pursuant to Legislative Decree no. 231/2001", which is an integral part of this organizational model (Annex 4).

In addition to the reports, the Recipients are required to send the Information Flows to the Supervisory Body as defined in Annex 05 "List of Information Flows to the Supervisory Body".

In this regard, periodic information flows to the Supervisory Body re defined which are subject to transmission by the management of the company functions. These flows are summarised in Annex 5.

Information flows must be transmitted electronically to the e-mail address odv@sinergia-it.com.

4.6. Whistleblowing

Annex 4 of the Model, which constitutes an integral part of the same, contains the reporting procedure adopted by the Company in implementation of the provisions of Legislative Decree no.24/2023 (so-called Whistleblowing Decree).

The procedure is aimed at establishing information channels suitable for guaranteeing the receipt, analysis and processing of reports (open, anonymous and confidential) relating to violations of specific national and European Union regulations relevant pursuant to the Whistleblowing Decree, as well as hypotheses of significant illicit conduct pursuant to Legislative Decree no.231/01 and/or violations of the Model and/or the Code of Ethics and to define the activities necessary for their correct management.

Reports can be sent by employees, partners, suppliers, collaborators and stakeholders in general.

The subject of the report may be the violation of specific national and European Union regulations relevant pursuant to the Whistleblowing Decree of which the reporting person has become aware. The report must be made according to the methods indicated in the procedure (Annex 4). However, it can be carried out via the external reporting channel activated by the ANAC, if, at the time of its submission, one of the following conditions occurs:

- a) the mandatory activation of the internal reporting channel is not foreseen within his/her work context, or this is not active or, even if activated, does not comply with the provisions of the Whistleblowing Decree;
- b) the reporting person has already made an internal report and it has not been followed up on;

- c) the reporting person has reasonable grounds to believe that, if he/she made an internal report, it would not be followed up effectively or that the same report could lead to the risk of retaliation;
- d) the reporting person has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest (disputes, claims or requests linked to a personal interest of the reporting person).

Internal reporting, which, as mentioned, constitutes the ordinary channel available to whistleblowers, must be carried out via the platform available on the web page <https://areariservata.mygovernance.it/> according to the methods described in Annex 4. Reports sent via the platform can be made both in written form and orally via voice message. Reports can also be made using an available form to be inserted in the appropriate boxes located in the Company or using the email address sinergiaadv@gmail.com. However, the possibility of requesting an interview with the Whistleblowing Manager is always guaranteed.

The reports are received and managed by the Report Manager, whose references are given in Annex 4. If the Manager believes that the report relates to hypotheses of significant illicit conduct pursuant to Decree 231, or violations of Model 231 and/ or the Code of Ethics, he forwards them to the Supervisory Body.

The procedure provides for the protection of the whistleblower's confidentiality and the prohibition of retaliation against him.

For any further detail relating to the procedure and characteristics of Whistleblowing, please refer to Annex 4.

4.7. Collection and storage of information

All information and reports provided for in the model are kept by the Supervisory Body for the time necessary to carry out the evaluation activities in a computer and/or paper archive. Usually, personal data must be deleted within two months from the completion of the verification of the facts set out in the complaint. This term will be extended in the event of a judicial or disciplinary action against the accused person or the complainant who has made false or defamatory statements. Information **not** containing personal data will be stored for 10 years from the completion of the verification of the facts set out in the complaint. The data and information stored in the archive shall be made available to persons outside the Supervisory Body only with its authorization.

5 TRAINING, COMMUNICATION AND DIFFUSION OF 231 MODEL

For the model to be effective, it must be brought to the attention of its recipients so that they comply with the procedures that must be followed for the proper performance of their duties. The informational report on the Model's content must be complete, timely, accurate, accessible and continuous.

The model and any subsequent update will be distributed to all staff by means of an e-mail, and each employee must reply for acceptance and viewing to ensure the receipt of the Model. The updated model will always be available on the corporate intranet.

To ensure effective knowledge of the Model and of the procedures that must be followed to properly fulfill their duties, specific training activities are also provided for staff, managers and members of the Board of Directors. The training activity can be carried out through lessons and/or through *e-learning* and the courses will have to end with a written test. The training will be due to each new hire or in case of change of duties within the company.

In any event, staff training must take place in the presence of any organizational and/or regulatory changes about the model considered, in the general and special parts.

6 DISCIPLINARY SYSTEM

This disciplinary system is adopted pursuant to article 6, second paragraph, letter e) and pursuant to article 7, fourth paragraph, letter. b) of the Decree. The system is aimed at penalizing non-compliance with the general principles of conduct and procedures provided for in the organizational model in accordance with what is established by the national collective labor agreements (CLA) of the category.

The application of disciplinary sanctions does not preclude the possible establishment of a criminal case for one of the offences provided for in the Decree and is inspired by the need for timely application.

The establishment and outcome of the disciplinary procedure shall always be communicated to the Supervisory Body.

The type and extent of the penalties applicable shall be proportionate to the severity of the infringements assessed based on the following elements:

- a) relevance of the violated obligations: non-compliance (i) that may compromise the general effectiveness of the model to prevent crimes, (ii) which themselves integrate the crime or (iii) which concern provisions on the prevention of workplace accidents;
- b) subjective element of conduct: willful misconduct or guilt;
- c) level of hierarchical or technical responsibility;
- d) sharing responsibility with other parties who participated in the breach;
- e) repetition of non-compliant conducts;
- f) extent of the damage or danger to which the Company is exposed because of non-compliance with the model.

6.1. Penalties applicable to employees

As well as in the case of violation of the general principles of behavior and procedures provided for in the Organizational Model, penalties are applicable in the following cases:

- failure of hierarchical superiors to supervise their subordinates regarding the correct and effective application of the General Principles of Conduct and Procedures provided for in the Organizational Model or failure to report any transgressions according to company procedures;
- obstacle to the powers of initiative and control of the Supervisory Body or violation / circumvention of the control system through (i) non-compliance with the documentation methods provided for by the Procedures or (ii) the preparation of untrue or altered documentation;
- unfounded reports of conduct representing a crime or violation of the general principles of conduct or of the procedures envisaged in the model carried out with willful misconduct or gross negligence;
- Violations of the obligations aimed at ensuring compliance with protective measures against the whistle-blower, including the Prohibition of acts of direct or indirect retaliation or discrimination against the whistle-blower on grounds directly or indirectly linked to the whistle-blower.

The commission of disciplinary offenses referred to in this paragraph is sanctioned, in accordance with the general criteria for imposing sanctions, with the following disciplinary measures:

a) *Oral warning:*

- in the event of non-serious non-compliance with the provisions of internal procedures and / or the Model or due to negligent behavior;
- tolerance or failure to report minor irregularities committed by others.

b) *Written warning:*

- deficiencies punishable by oral warning but which, due to specific consequences or recidivism, have greater relevance (repeated violation of internal procedures and / or the Model or repeated adoption of behavior that does not comply with the provisions of the Model itself);
- failure to report or tolerate serious irregularities committed by others;
- repeated failure to report or tolerance of minor irregularities committed by others.

c) *Suspension from work and of the pay for a period not exceeding 5 days:*

- deficiencies punishable with lower penalties, if repeated or very serious;
- particularly serious non-compliance with internal procedures and / or the Model;
- Serious failure to observe the indications of superiors regarding the provisions of the model;

- repeated failure to report or tolerance of serious irregularities committed by others;
- omitted collaboration with the activities of the Supervisory Body and of its employees, even if expressly requested;
- Failure to observe the obligations to ensure compliance with the protective measures towards the whistle-blower;
- unfounded reports of conduct representing a crime or violation of the general principles of conduct or of the procedures envisaged in the model carried out with gross negligence.

d) Layoff for non-fulfilment of contractual obligations by the employee (justifiable reason):

- violation of the prescriptions and contents of the model with a behavior configuring a possible hypothesis of crime sanctioned by Legislative Decree 231/2001, if the crime has not actually occurred.

e) Layoff for breaches which are so serious that the employment relationship cannot be continued (just cause):

- behavior in clear violation of the provisions of the Model which has determined the materialization of the risk through the committing of a crime (also in the form of an attempt, in the case of a crime), or in any case such as to involve the possible application of the sanctions provided for by the Company by Legislative Decree 231/2001; provided that it is attributable to deficiencies which are so serious to lose the trust on which the employment relationship is based and in any case not to allow the continuation, not even temporarily, of the relationship itself;
- having intentionally made unfounded reports of conduct representing a crime or violation of the general principles of conduct or procedures provided for in the model;
- Violation of the prohibition of retaliation or discriminatory acts, direct or indirect, against the whistle-blower, for reasons connected directly or indirectly to the report.

The Company may temporarily suspend the worker from the service as a precaution for the time strictly necessary for the conclusion of the investigation and for the disciplinary procedure.

Disciplinary sanctions will be applied by the Board of directors or the HR function upon notification to the Supervisory Body.

6.2. Penalties applicable to managers

As well as in the case of violation of the general principles of behavior and procedures provided for in the organizational model, penalties are applicable in the following cases:

- failure of hierarchical superiors to supervise their subordinates regarding the correct and effective application of the General Principles of Conduct and Procedures provided for in the Organizational Model or failure to report any transgressions according to company procedures;
- obstacle to the powers of initiative and control of the Supervisory Body or violation / circumvention of the control system through (i) non-compliance with the documentation methods provided for by the Procedures or (ii) the preparation of untrue or altered documentation;
- unfounded reports of conduct representing a crime or violation of the general principles of conduct or of the procedures envisaged in the model carried out with willful misconduct or gross negligence;
- violation of the obligations aimed at ensuring compliance with the protection measures towards the whistle-blower, including the prohibition of retaliation or discriminatory acts, direct or indirect, against the whistle-blower, for reasons connected directly or indirectly to the report.

The same penalties referred to in points a, b and c above may also be applied to the management staff. In addition, the following penalties may also apply:

a) Layoff ex article 2118 of the civil code:

- repeated failure to report or tolerance of serious irregularities committed by others belonging to their area of competence;
- violation of the provisions of the Model with a behavior such as to abstractly configure a possible hypothesis of crime sanctioned by Legislative Decree 231/2001, if the crime has not actually occurred and, in any case, in cases where the conduct of the manager is so serious that it exposes the Company to an objective situation of danger, or such as to cause negative repercussions for the Company, meaning a significant breach of the obligations to which he/she is bound in carrying out his/her employment relationship.

b) Layoff for breaches which are so serious that the employment relationship cannot be continued (just cause):

- adoption of a behavior clearly in violation of the provisions of the Model and such as to determine a criminally relevant offense (even in the attempted form, in the case of a crime) with the consequent concrete risk of application of the measures provided for by the Legislative Decree 231/2001 on the part of the company; where the behavior is attributable to deficiencies which are so serious to lose the trust on which the employment relationship is based and in any case not to allow the continuation, not even temporarily, of the relationship itself;
- having intentionally made unfounded reports of conduct representing a crime or violation of the general principles of conduct or procedures provided for in the Model;

- violation of the prohibition of retaliation or discriminatory acts, direct or indirect, against the whistle-blower, for reasons connected directly or indirectly to the report.

In cases required by the nature of the fault or due to investigative needs, the Company - waiting for a decision on the final disciplinary measure - has the right to temporarily suspend the Manager from the service for the time strictly necessary.

6.3. Measures against external collaborators

For the purposes of a full and perfect effectiveness of the Model, relations with third-party external collaborators are regulated by contractual agreements in which there are clauses relating to compliance with the Model and in any case to the discipline introduced by the Legislative Decree no. 231/2001. The same contracts must provide for the termination of the contract if the counterparty behaves contrary to the Model or the Decree, without prejudice to Sinergia's right to request compensation for damage if the counterpart's conduct is such as to cause damage to the Company itself.

For these purposes, a copy of the model (or parts thereof relevant to the performance of the contract) shall be made available to the contractual counterparties.

6.4. Measures against directors, statutory auditors and auditors

Should the Supervisory Body become aware of the violation of the principles and rules provided for in the internal procedures or in the Model by the members of the Board of Directors or by the members of the Board of Statutory Auditors or by the auditors, the Supervisory Body shall promptly inform the Board of Directors as well as the Board of Statutory Auditors regarding the adoption of the appropriate measures including, for example, the calling of the Shareholders' Meeting in order to adopt the most suitable measures.

7 MODEL UPDATE

The task of *editing* the updating of the model is the responsibility of the Supervisory Body, with the collaboration of the Company's staff and directors. The updating activity, intended both as an integration and as a modification, is aimed at ensuring the adequacy and suitability of the Model, assessed with respect to the preventive function of avoiding the commission of the offenses indicated by the Legislative Decree no. 231/2001.

To update the model, the Supervisory Body has to:

- verify the correct identification of the at-risk activities and their possible integration on a regular basis, using the information and collaboration of the staff;
- verify the adequacy of the internal model and procedures;
- evaluate, with the competent functions, the operational initiatives to be taken with a view to an effective update of the Model;
- promote the adoption of changes to the model made necessary by significant violations of the requirements, by changes in the organization or activity, by Legislative interventions requiring their adaptation or by the actual commission of crimes;
- verify the effectiveness and functionality of changes to the model adopted by the competent bodies from time to time.

Changes and updates to the Model must be approved by the Board of Directors and the date of revision must be indicated on the Model itself.

In any case, the update of the model will be necessary when:

- there are significant violations of the Model provisions;
- there are significant changes in the internal structure of the company, in the activities of the company or in the way they are carried out;
- regulatory changes regarding bodies' administrative liability for offenses.

Each single version of the Model approved by the Board from time to time will be kept by the Supervisory Body, in a manner that allows easy consultation in chronological order and a clear representation of the updates made from time to time.