Zoppas Industries

Heating Element Technologies

ORGANISATION, MANAGEMENT AND CONTROL MODEL

PURSUANT TO DECREE 231/2001

REVISIONS

REVISION	DATE	DRAFTED BY	APPROVED BY
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1	25/11/2010	Supervisory Body	Board of Directors
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CONTENTS

“Glossary of terms”

GENERAL PART

SPECIAL PART

Introduction: function and structure of the Special Part

Special Part I - Offences committed in relations with the Public Administration

1. Types of offence in relations with the Public Administration (arts. 24 and 25 of Decree 231/2001)
2. Sensitive processes in relations with the Public Administration
3. Principles of conduct and control in the risk area of offences against the Public Administration
4. Specific procedures in the risk area of offences against the Public Administration
5. Checks carried out by the Supervisory Body

Special Part II - Corporate offences and offences relating to receiving stolen goods, money laundering and the use of assets or benefits from illegal sources, including self-laundering

1. Types of corporate offence (art. 25-ter of Decree 231/2001) and offences relating to receiving stolen goods, money laundering and the use of assets or benefits from illegal sources, including self-laundering (art. 25 -octies of Decree 231/2001)
2. Sensitive processes in the context of corporate offences and offences relating to receiving stolen goods, recycling and the use of assets or benefits from illegal sources, including self-laundering
3. Principles of conduct and control in the risk area of corporate offences and offences relating to receiving stolen goods, recycling and the use of assets or benefits from illegal sources, including self-laundering
4. Specific procedures in the risk area of corporate offences and offences relating to receiving stolen goods, money laundering and the use of assets or benefits from illegal sources, including self-laundering
5. Checks carried out by the Supervisory Body

Special Part III - Crimes committed in violation of the regulations on the health and safety of workers

1. Types of crime committed in violation of the accident prevention and health and safety at work regulations (art. 25-septies of Decree 231/2001)
2. Sensitive processes in relation to compliance with the accident prevention and health and safety at work regulations
3. Documents adopted by the Model
4. Principles of conduct and control in the risk area of crimes committed in violation of the accident prevention and health and safety at work regulations
5. Specific procedures in the risk area of crimes committed in violation of the accident prevention and health and safety at work regulations

5.1 Identification of managers and their powers
5.2 Constant identification of hazards, their assessment and implementation of the necessary control measures
5.3 Definition, documentation and communication of the roles, responsibilities and powers of those who manage activities likely to have an impact on health and safety risks
5.4 Definition of the skills required by those who must perform tasks likely to have an impact on safety
5.5 Dissemination of information about health and safety to employees and other interested parties
6. Checks carried out by the Supervisory Body

Special Part IV - Offences committed in violation of the regulations governing the security of corporate IT systems and the improper processing of personal data

1. Types of offence committed in violation of the regulations governing the security of IT systems and the improper processing of personal data (art. 24-bis of Decree 231/2001)
2. Sensitive processes in relation to compliance with the regulations governing the security of IT systems
3. Principles of conduct and control in the risk area of offences committed in violation of the regulations governing the security of IT systems and the improper processing of personal data
4. Specific procedures in the risk area of offences committed in violation of the regulations governing the security of IT systems and the improper processing of personal data
5. Checks carried out by the Supervisory Body

Special Part V - Environmental offences

1. Types of environmental offence (art. 25-undecies of Decree 231/2001)
2. Sensitive processes in relation to environmental offences
3. Principles of conduct and control in the risk area of environmental offences
4. Specific procedures in the risk area of environmental offences
5. Checks carried out by the Supervisory Body

Special Part VI - Offences against Trade and Industry

1. Types of offence against trade and industry (art. 25-bis 1 of Decree 231/2001)
2. Sensitive processes in relation to offences against trade and industry
3. Principles of conduct and control in the risk area of offences against trade and industry
4. Specific procedures in the risk area of offences against trade and industry
5. Checks carried out by the Supervisory Body

Special Part VII - Tax offences

1. Types of tax offences (art. 25-quinquiesdecies of Decree 231/2001)
2. Sensitive processes in relation to tax offences
3. Principles of conduct in the risk area of tax offences
4. Specific procedures in the risk area of tax offences pursuant to art. 25-quinquiesdecies
5. Checks carried out by the Supervisory Body

Special Part VIII - Smuggling

1. Types of smuggling offences (art. 25-sexiesdecies of Decree 231/2001)
2. Sensitive processes in relation to smuggling offences
3. Principles of conduct in the risk area of smuggling offences
4. Specific procedures in the risk area of smuggling offences pursuant to art. 25-sexiesdecies
5. Checks carried out by the Supervisory Body

ANNEXES

GLOSSARY OF TERMS

Business - Combination of assets and activities organised by IRCA in pursuit of its corporate objects.

CCNL - National collective employment contract for the engineering sector.

Collaborators - Parties linked to IRCA by employment or near-employment relationships of any kind or, in any case, those that act in the interests, in the name or on behalf of the organisation.

Company - "I.R.C.A. S.p.A. INDUSTRIA RESISTENZE CORAZZATE ED AFFINI", VAT No. 01168660262, with registered offices in Vittorio Veneto (TV), Via Caduti del Lavoro no. 3, whose corporate objects comprise the production and sales of heating elements in general and of electric elements in particular, as well as electromechanical systems and components for industrial use (hereinafter, IRCA).

Company - "I.R.C.A. S.p.A. INDUSTRIA RESISTENZE CORAZZATE ED AFFINI", VAT No. 01168660262, with registered office in Vittorio Veneto (TV), Via Caduti del Lavoro no. 3.

Consultants - Parties that carry out their activities for the benefit of IRCA under a freelance contractual relationship.

Crimes - Range of crimes envisaged in Decree 231/2001 and subsequent amendments and additions.

Decree - Legislative Decree no. 231 dated 8 June 2001 and subsequent amendments and additions.

Documents - Collection of written analyses that contribute to the the formation of the Organisation, Management and Control Model of the Company.

Employees - Parties linked to IRCA by an employment contract (including executives) or by a contractual relationship with similar characteristics.

EU reference regulations - Brussels Convention of 26 July 1995 on the "Protection of the European Communities' financial interests", Brussels Convention of 26 May 1997

on the "Fight against corruption involving officials of the European Communities or officials of Member States of the European Union"; OECD Convention of December 1997 on "Combating bribery of foreign public officials in international business transactions"; Law 146 of 16 March 2006 (Ratification and execution of the Convention and Protocols of the United Nations against transnational organized crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001); Directive 2008/99/EC on the "Protection of the environment through criminal law".
In general, the EU regulatory sources that have influenced, even if only indirectly, the Italian regulations on the administrative responsibility of organisations (Decree 231/2001).

Guidelines - Guidelines issued by CONFINDUSTRIA, approved by the Ministry of Justice in Min. Decree dated 4.12.2003, and most recently amended and approved by the Ministry of Justice on 21 July 2014, integrated for tax and smuggling offences with the CONFINDUSTRIA Guidelines approved by the Ministry of Justice on 8 June 2021.

Mapping of risk areas - Identification of those parts of the Company in which sensitive activities are carried out.

Model - Organisation, Management and Control Model envisaged by arts. 6 and 7 of Decree 231 dated 8 June 2001.

National reference regulation - Decree 231 dated 8 June 2001 and subsequent amendments and additions.

Organisation - "I.R.C.A. S.p.A. INDUSTRIA RESISTENZE CORAZZATE ED AFFINI" (hereinafter, IRCA).

Owners - The owners of shares in IRCA.

P.A. - Bodies, sections, offices of the national or local Public Administration, with particular reference to the sensitive activities for the commitment of offences against the Public Administration.

Partners - Parties that collaborate with IRCA in the course of their own activities (e.g. partnerships, joint ventures, contracts etc.).

Recipients - Employees, directors, auditors, consortium members, consultants, external collaborators and partners of IRCA that directly or indirectly, for any reason, are required to know and apply the instructions, principles and procedures contained and/or referred to in the Model.

SB - Supervisory Body envisaged in art. 6 of Decree 231/2001, tasked with supervising compliance with the Model and checking its adequacy.

Senior persons - Persons who represent, manage or direct IRCA or a unit with financial and functional autonomy, as well as any persons who manage or control the organisation, whether formally or on a de facto basis.

Sensitive activities - Activities subject to the risk of committing the offences envisaged in the relevant regulations (Decree 231/2001 and subsequent amendments and additions).

Sensitive areas - Areas of the company in which sensitive activities are carried out.

Sensitive Transaction - Operation carried out in the context of the sensitive activities.

Stakeholders - The owners, employees and collaborators, consultants and representatives of IRCA on whatsoever basis (e.g. holders of powers of attorney, mandates).

Subsequent amendments and additions - Law 49 dated 23 November 2001 (art. 25-bis of Decree 231/2001); Decree 62 dated 11 April 2002 (art. 25-ter of Decree 231/2001); Law 7 dated 14 January 2003 (art. 25-quater of Decree 231/2001); Law 228 dated 11 August 2003 (art. 25-quinquies of Decree 231/2001); Law 146 dated 16 March 2006; Decree 231 dated 21 November 2007 (art. 25-octies of Decree 231/2001); Law 48 dated 18 March 2008 (art. 24-bis of Decree 231/2001); Law 94 dated 15 July 2009 (art. 24-ter of Decree 231/2001); Law 99 dated 23 July 2009 (arts. 25-bis.1 and 25-novies of Decree 231/2001); Decree 121 dated 7 July 2011 (art. 25-undecies of Decree 231/2001); Law 190 dated 6 November 2012 (additions to art. 25 and art. 25-ter of Decree 231/2001), Law 186 dated 15 December 2014 (addition to art. 25 octies of Decree 231/2001), Law 68 dated 22 May 2015 (addition to art. 25-undecies of Decree 231/2001), Law 157 dated 19 December 2019 (approval of Decree 124/2019 with the addition of art. 25-quinquiesdecies of Decree 231/2001); Decree 75/2020 (implementation of EU directive 2017/1371, the so-called PIF directive with the addition of art. 25-sexiesdecies of Decree 231/2001).
In general, the legislation that implemented the range of offences envisaged in the original measure that established the administrative responsibility of organisations (Decree 231/2001).

1 REGULATORY REFERENCES

1.1 Decree 231/2001 – General principles

Decree 231 dated 8 June 2001 on «Governance of the administrative responsibilities of legal persons, companies and associations, including those that are not legal persons», in force from 4 July 2001 and issued in accordance with the mandate granted by parliament to the government pursuant to art. 11 of Law 300 dated 29 September 2000, added a system for regulating the administrative responsibilities of organisations to the Italian legal system.

Art. 5, para. 1, establishes that the organisation is responsible if certain offences are committed in the interests or for the benefit of the Organisation by the following parties:

- parties that represent, manage or direct the Organisation or a unit with financial and functional autonomy, as well as any persons who manage or control the Organisation, whether formally or on a de facto basis (directors, general managers, deputy general managers);
- parties subject to management and supervision by the above-mentioned parties (employees who are not executives, collaborators, consultants etc.).

Interest is different to benefit, in that:

- interest is determined ex ante and is normally identified when the actions of a natural person did not conflict with the interests of the Organisation;
- benefit by contrast is objectively determined ex post, so the organisation may be responsible even if the party acted without considering the resulting benefits that the conduct would have for the Organisation.

Interest and benefit are alternative requirements that do not necessarily have to co-exist in order to establish responsibility pursuant to Decree 231/2001.

Should one of the above-mentioned parties enter into a criminal activity included among those identified in the above regulations, the criminal responsibility of that person will exist alongside the responsibility of the organisation in whose interests or for whose benefit that activity was carried out.

1.2 Types of offence

Decree 231/2001 envisages the following types of offence:

- offences against the Public Administration;
- falsification of cash, government-issued bearer bonds and duty-paid stamps and documents – art. 6 of Law 406/2001 added art. 25-bis to Decree 231/2001;
- corporate offences – Decree 61/2002 added art. 25-ter to Decree 231/2001;
- terrorism or the subversion of democratic order – Law 7/2003 added art. 25-quater to Decree 231/2001;
- mutilation of female genitals - Law 7/2006 added art. 25-quater.1 to Decree 231/2001;
- offences against individual freedom – Law 228/2003 added art. 25-quinquies to Decree 231/2001;
- market abuse (Law 62/2005) – Decree 58/1998 added art. 25-sexies to Decree 231/2001;
- transnational offences, as envisaged and broadened in Law 146/2006;
- offences deriving from violation of the regulations governing health and safety in the workplace (manslaughter and personal injury through negligence) - Decree 123/2007 added art. 25-septies to Decree 231/2001;
- receiving stolen goods, money laundering and use of money, assets or benefits deriving from illegal sources and self-laundering – Decree 231/2007 added art. 25-octies to Decree 231/2001, as broadened by Law 186/2014;
- violation of authorship rights - Law 99/2009 added art. 25-novies to Decree 231/2001;
- IT offences and improper data processing - Law 48/2008 added art. 24-bis to Decree 231/2001;
- organised crime – Law 94/2009 added art. 24-ter to Decree 231/2001;
- offences against trade and industry – Law 99/2009 added art. 25-bis.1 to Decree 231/2001;
- inducement to not make declarations or to make false declarations to the judiciary – Law 116/09 added art. 25-decies to Decree 231/2001;
- environmental offences – Decree 121/11 added art. 25-undecies to Decree 231/2001, as broadened by Law 68/2015;
- improper inducement to give or promise benefits (art. 319-quater, criminal code) – Law 190/12 added that offence to art. 25 of Decree 231/2001;
- corruption between private persons (art. 2635, civil code) – Law 190/12 added that offence to art. 25-ter of Decree 231/2001;
- employment of foreign citizens without a proper permit – Law 109/12 added art. 25-duodecies to Decree 231/2001;
- tax offences – Law 157 dated 19 December 2019 added art. 25-quinquiesdecies to Decree 231/2001;

- smuggling – Decree 75 dated 14 July 2020 added art. 25-sexiesdecies to Decree 231/2001.
- offences against cultural heritage – Law 22/2022 added art. 25-septiesdecies to Decree 231/2001.
- laundering of cultural assets and devastation and looting of cultural and landscape assets – Law 22/2022 added art. 25-duodevicies to Decree 231/2001.

1.3 System of penalties

The system of penalties described by Decree 231/2001 for parties that commit the offences listed above involves the following administrative penalties:

- pecuniary penalties;
- suspensions (sometimes with precautionary measures) for not less than three months and not more than two years. These may involve:
  1. ban on carrying out activities;
  2. suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence;
  3. ban on contracting with the Public Administration, except in order to obtain a public service;
  4. exclusion from access to assistance, loans, grants or subsidies and the possible revocation of those already obtained;
  5. prohibition from advertising goods or services;
- confiscation (and precautionary seizure);
- publication of sentences that include a ban on activities.

i) Pecuniary Administrative Penalty

The pecuniary administrative penalty, governed by art. 10 et seq. of Decree 231/2001, is the "basic" penalty that must be applied, for whose payment the Organisation is responsible with its assets or with the common fund.

The legislator has adopted an innovative criterion for the determination of the penalty, requiring the judge to make two different, consecutive assessments. This results in closer alignment of the penalty with the seriousness of the deed and the economic condition of the organisation.

During the first assessment, the judge determines the number of quotas (not less than one hundred, not more than one thousand), considering:

- the seriousness of the deed;
- the degree of responsibility of the organisation;
- the steps taken to eliminate or mitigate the consequences of the deed and to prevent the commitment of further offences.

During the second assessment, the Judge determines - within predetermined minimum and maximum amounts, depending on the offence penalised - the value of each quota (minimum of Euro 258.23, maximum of Euro 1,549.37) "with reference

to the economic and financial position of the organisation, in order to ensure the effectiveness of the penalty" (art. 11, para. 2, Decree 231/2001).

As stated in point 5.1 of the Report accompanying Decree 231/2001, "When assessing the economic and financial position of the organisation, the judge will refer to the financial statements or other records that photograph the situation appropriately. In some cases, the evidence may be obtained by considering the size of the organisation and its market position. (...) The judge cannot avoid delving into the reality of the business, with the help of advisors, in order to obtain information about the economic and financial strength of the organisation".

Art. 12, Decree 231/2001, also envisages possible reductions in the pecuniary penalty when, in particular:

a) the perpetrator committed the offence essentially in his/her own interests or those of third parties and the organisation did not benefit as a result, or only benefited to a minimal extent;
b) the financial loss caused was particularly low;
c) the organisation has made good the loss in full and has eliminated the harmful or dangerous consequences of the offence or, in any case, has taken effective action in that direction;
d) a suitable organisational model has been adopted and effectively implemented for the prevention of offences of the type committed.

ii) Suspensions

The suspensions envisaged by Decree 231/2001 are:

- ban on carrying out activities;
- prohibition from entering into contracts with the Public Administration;
- suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence;
- exclusion from access to assistance, loans, grants or subsidies and/or the revocation of any already obtained;
- prohibition from advertising goods or services.

These only apply in relation to offences for which it is expressly envisaged that at least one of the following circumstances specified in art. 13 of Decree 231/2001 must exist:

- the organisation has profited significantly from the offence and the offence was committed by senior persons, or by persons managed by others who committed the offence as a consequence of serious organisational weaknesses;
- in the case of repeat offences (being the commitment of a new offence within five years of the definitive adverse sentence for an earlier offence);
- suspension is never applied if the offence was essentially committed in the interests of the perpetrator or those of third parties and the organisation obtained little or no benefit, or the financial loss caused was particularly low. Suspension is

also avoided if the organisation has made the reparations envisaged in art. 17 of Decree 231/2001 and, more specifically, in the following circumstances:

i) the organisation has made good the loss in full and has eliminated the harmful or dangerous consequences of the offence or, in any case, has taken effective action in that direction;
ii) the organisation has eliminated the weaknesses that resulted in the offence, via the adoption and implementation of suitable organisational models for the prevention of offences of the type committed;
iii) the organisation has made the profits obtained available for confiscation.

Suspensions have a duration of between 3 months and 2 years. The judge decides on the measure to be adopted and its duration with reference to the criteria indicated above for determining the pecuniary penalty, "having regard for the suitability of each penalty for the prevention of offences of the type committed" (art. 14, Decree 231/2001).
The legislator also stated that the ban on carrying out activities is a last resort with respect to the other forms of suspension.

iii) Confiscation

The price or profit from the offence is always confiscated. If it is not possible to confiscate directly the price or profit from the offence, money, assets or other value equivalent to the price or profit from the offence may be confiscated instead.

iv) Publication of sentences

When suspension is applied, the judge may require an extract or the entire sentence to be published in one or more newspapers, together with the posting of a notice in the municipality in which the principal offices of the organisation are located. The Court Registrar's Office arranges to make the above publications at the expense of the organisation.

1.4 Changes in legal form

The Decree also governs the responsibility of the organisation if its legal form is changed (transformation, merger, spin-off, disposal of business).
The fundamental principle is that «the obligation to pay the pecuniary penalty» inflicted on the organisation «rests solely with the organisation, using its net assets or central fund». The regulation therefore excludes any direct liability for the owners or members, regardless of the legal form of the organisation.
As a general criterion, the legislator decided to apply the principles of civil law regarding the liability of the transformed organisation for the debts of the original organisation to the pecuniary penalties inflicted; similarly, suspensions continue

to apply to the organisation that contains (via contribution or otherwise) the line of business within which the offence was committed, without prejudice to the right of the organisation resulting from the transformation to obtain conversion of the suspension into a pecuniary penalty, if the reorganisation following the merger or spin-off has eliminated the organisational deficiency that made it possible to commit the offence.

Specifically:

- transformation: amendments of the legal structure (company name, legal form etc.) therefore have no effect on the responsibility of the organisation: the new organisation receives the penalties applicable to the original organisation for facts committed prior to the transformation;
- mergers and spin-offs: with regard to the possible effects of mergers and spin-offs, the Decree envisages that the organisation resulting from the merger, even by absorption, shall take «responsibility for the offences for which the organisations participating in the merger were responsible». When the organisation deriving from the merger takes over the legal relationships of the merged organisations and, more particularly, when the related activities are combined, including those in the context of which the offences were committed, responsibility for the offences is transferred to the organisation deriving from the merger. In the event of a partial spin-off, with transfer of just part of the net assets of the split Organisation, which therefore continues to exist, responsibility for the offences committed prior to the spin-off remains with the split Organisation. Collective organisations that benefit from the spin-off as recipients of the net assets (all or some) of the split Organisation are jointly and severally liable for paying the pecuniary penalties due by the split Organisation for offences committed prior to the spin-off. This obligation is limited to the value of the net assets transferred: this limitation does not apply to the beneficiary organisations that received - even if only in part - the line of business in the context of which the offences were committed;
- disposal or contribution of business: lastly, the Decree governs the disposal or contribution of the business. In the event of disposal or contribution of the business in the context of which the offences were committed, the transferor is jointly and severally liable together with the transferee for payment of the pecuniary penalty, up to the value of the business transferred and without prejudice to initial enforced collection from the transferor. The responsibility of the transferee - in any case limited to the value of the business transferred (or contributed) - is also limited to the pecuniary penalties recorded in the legal books or relating to administrative offences that in any case were known to the transferee.

1.5 Responsibility for offences in groups of companies

Italian law considers groups as a single entity solely from an economic standpoint while, legally, they do not have an independent personality.
It follows that a group cannot be deemed directly responsible for an offence and is not included among the parties listed in art. 1 of the Decree.
Looking at it from the other direction, only the individual companies that comprise the group can be held liable for offences committed in the course of their business activities.
Membership of a group does not allow the responsibility of the company that committed the offence to be extended to all the others, as it would be necessary for the offence committed to have specifically benefited - in practice or potentially, and not necessarily in monetary terms - one or more of the other group companies.

In the same way, the parent company of the group cannot guarantee the prevention of offences committed by its subsidiaries.

1.6 Exoneration of the Organisation from administrative responsibility

Having introduced the administrative responsibility of the Organisation, art. 6 of Decree 231/2001 establishes that it does not have administrative responsibility if it can demonstrate that:

1°) prior to commitment of the offence, the senior administrative body adopted and effectively implemented suitable Organisation, Management and Control models for the prevention of offences of the type committed;
2°) the tasks of supervising the functioning of and compliance with the models, and of updating them, have been entrusted to a body within the Organisation with independent powers of action and control;
3°) the persons committed the offence by fraudulently avoiding the Organisation, Management And Control Models; however, if the offence is committed by a subordinate (not a senior person), the Organisation does not need to provide evidence, while the plaintiff (the investigating magistrate) must demonstrate that, prior to commitment of the offence, the Organisation had not implemented a suitable and effective organisational policy for the prevention of that offence (see art. 7, Decree 231/2001);
4°) the body referred to in point 2) above did not fail to supervise sufficiently or fail to supervise at all.

Adoption of the Organisation, Management and Control Model therefore enables the organisation to avoid charges of administrative responsibility. Mere adoption of this

document by the senior administrative body of the organisation, being its Board of Directors, is not however sufficient to exclude that responsibility tout court, as the model must necessarily be both suitable and effective.
With regard to the effectiveness of the model, the Decree requires it to:

- identify the activities in the context of which offences may be committed;
- establish specific protocols for planning the formation and implementation of decisions by the organisation with regard to the offences to be prevented;
- identify suitable procedures for the management of financial resources that prevent the commitment of offences;
- establish reporting obligations for the body appointed to supervise the functioning of and compliance with the model.

With regard to the suitability of the model, the Decree requires:

- periodic checks and amendment if significant violations of the requirements of the model are discovered, or if the organisation or activities of the company change, or if there have been legislative changes;
- adoption of a suitable disciplinary system for penalising failure to comply with the requirements of the model.

1.7 Guidelines issued by Confindustria, used as a basis for the Model prepared by the Company

When drawing up IRCA's Organisation, Management and Control Model, the current Guidelines issued by Confindustria were used as a comparative yardstick and operational guide, which were approved by the Ministry of Justice on 21 July 2014, supplemented for tax and smuggling offences, with the new Guidelines issued by Confindustria, which were approved by the Ministry of Justice on 8 June 2021.
Art. 6, para. 3, of the Decree expressly states that Organisation, Management and Control Models may be adopted with reference to Codes of Conduct prepared by Associations representing the Organisations and transmitted to the Ministry of Justice that, together with the other competent Ministries, may make observations within 30 days about their suitability for preventing the offences referred to in Decree 231/2001.
The Guidelines of Confindustria envisage the following stages in the definition of an Organisation, Management and Control Model:

- identification of risks and protocols;
- adoption of certain general tools, principally including a code of ethics with reference to the offences identified in Decree 231/2001 and a disciplinary system;
- identification of criteria for the selection of the supervisory body, indicating its requirements, duties, powers and reporting obligations;
- establishment of a sufficiently formalised and clear system of organisation,

especially with regard to the assignment of responsibilities, the definition of hierarchical reporting lines and the description of duties;
- preparation of manual and/or IT procedures for the performance of activities, with suitable controls;
- definition of authorisation and signatory powers consistent with the organisational and operational responsibilities defined, including indication where necessary of thresholds for the approval of expenses;
- establishment of management control systems capable of providing timely reports should any general and/or specific issues arise;

The Confindustria Guidelines also state that the components of the control system must comply with the following principles:
- verifiability, documentability, consistency and reasonableness of each operation;
- application of the principle of the segregation of functions and duties (so no one can manage an entire process independently);
- documentation of the controls carried out.

When preparing its Organisation, Management and Control Model, each company must therefore take account of the indications contained in the Guidelines prepared by Confindustria (including the Case Studies presented in the Special Part of the Guidelines).

1.8 Summary schedule of predicate offences and penalties

At the revision date of this Organisational Model, the Decree provides for the following predicate offences:

Art. 24 Decree 231/2001 – Improper receipt of funds, fraud to the detriment of the State or a public body or receipt of public funds and IT fraud to the detriment of the State or a public body		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Misuse of funds to the detriment of the State (art. 316-bis criminal code) Improper collection of funds to the detriment of the State (art. 316-ter criminal code) Fraud to the detriment of the State or a public body (art. 640, para. 2, no. 1 Criminal Code) Aggravated fraud to obtain public funds (art. 640-bis criminal code) IT fraud (art. 640-ter criminal code)	Up to five hundred quotas (from two hundred to six hundred quotas if the offence results in a considerable profit or a particularly serious loss)	- prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Art. 24-bis Decree 231/2001 – IT crimes and improper data processing		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Unauthorised access to an IT or electronic data communications system (art. 615-ter criminal code) Interception, prevention or illegal inter-ruption of IT or telematic communications (art. 617-quater criminal code) Installation of equipment for intercepting, preventing or interrupting IT or telematic communications (art. 617-quinquies criminal code) Causing damage to information, data or IT programs (art. 635-bis criminal code) Causing damage to information, data or IT programs used by the State or a public body or of public interest (art. 635-ter criminal code) Causing damage to IT or telematic systems (art. 635-quater criminal code) Causing damage to IT or telematic systems of public interest (art. 635-quinquies, para. 3, criminal code)	from one hundred to five hundred quotas	- ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from advertising goods or services.
Holding and unauthorised distribution of access codes to IT or telematic systems (art. 615-quater criminal code) Distribution of equipment, devices or IT programs intended to damage or crash an IT or telematic system (art. 615-quinquies criminal code)	Up to three hundred quotas	- suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from advertising goods or services.
False information in IT documents (art. 491-bis criminal code) IT fraud by the party that provides electronic signature certification services (art. 640-quinquies criminal code)	Up to four hundred quotas	- prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Art. 24-ter Decree 231/2001 – Organised crime		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Criminal associations for the commitment of offences against personal liberty and regarding clandestine immigration (art. 416, para. 6, criminal code) Italian and foreign mafia-related associations (art. 416-bis criminal code) Political/mafia-related electoral voting fraud (art. 416-ter criminal code) Kidnapping for the purposes of theft or extortion (art. 630 criminal code) Other crimes committed under the conditions envisaged in art. 416-bis criminal code or to facilitate mafia-related associations Associations for the illegal trafficking of narcotics or psychotropic drugs (art. 74 Pres. Decree 309/1990)	From four hundred to one thousand quotas	For at least one year: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained prohibition from advertising goods or services.
Criminal association (art. 416, paras. 1-5, criminal code) Crimes in relation to arms (art. 407, para. 2, letter a), point 5, criminal procedures code)	From three hundred to eight hundred quotas	
Art. 25 Decree 231/2001 – Malfeasance, improper inducement to give or promise benefits and corruption		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Corruption in the exercise of the function (art. 318 criminal code) Responsibility of the corruptor in the exercise of the function (art. 321 criminal code) Instigation of corruption in the exercise of the function (art. 322, paras. 1 and 3, criminal code)	Up to two hundred quotas (including corruption by providers of a public service and international corruption)	NO
Corruption to obtain a deed contrary to official duty (art. 319 criminal code) Corruption in judicial deeds (if the corruption is committed in favour or against one party in the proceedings) (art. 319-ter, para. 1, criminal code) Responsibility of the corruptor in deeds contrary to official duty (art. 321 criminal code) Instigation of corruption in deeds contrary to official duty (art. 322, paras. 2 and 4, criminal code)	From two hundred to six hundred quotas (including corruption by providers of a public service and international corruption)	For at least one year: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Malfeasance (art. 317 criminal code) Aggravated corruption in deeds contrary to official duty if the organisation obtained significant profit (art. 319 aggravated pursuant to art. 319-bis criminal code) Corruption in judicial deeds (if someone is unjustly sent to prison) (art. 319-ter, para. 2, criminal code) Improper inducement to give or promise benefits (art. 319-quater criminal code) Responsibility of the corruptor for aggravated corruption in deeds contrary to official duty and for corruption in judicial deeds (art. 321 criminal code)	From three hundred to eight hundred quotas (including corruption by providers of a public service and international corruption)	For at least one year: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services
Influence peddling (Article 346-bis of the Criminal Code)	Up to two hundred quotas	NO
Art. 25-bis Decree 231/2001 – Falsification of cash, government-issued bearer bonds, duty-paid stamps and recognisable signs		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Falsification of cash and false spending and introduction into Italy, by collusion, of falsified money (art. 453 criminal code)	From three hundred to eight hundred quotas	For not more than one year: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Alteration of money (art. 454 criminal code) Counterfeiting of watermarked paper used to manufacture government-issued bearer bonds or duty-paid paper (art. 460 criminal code) Manufacture or holding of security strips or equipment for the falsification of money, duty-paid paper or watermarked paper (art. 461 criminal code)	Up to five hundred quotas	
False spending and introduction into Italy, without collusion, of falsified money (art. 455 criminal code)	The pecuniary penalties for the offences envisaged in arts. 453 and 454, as reduced by from one third to one half	
Falsification of duty-paid paper, introduction into Italy, purchase, holding or circulation of falsified duty-paid paper (art. 459 criminal code)	The pecuniary penalties established for the offences envisaged in arts. 453, 455, 457 and 464, para. 2, criminal code, as reduced by one third	
Counterfeiting, alteration or use of trademarks or distinctive signs or industrial patents, models and designs (art. 473 criminal code) Importation into Italy and sale of products bearing false signs (art. 474 criminal code)	Up to five hundred quotas	

Spending of falsified money received in good faith (art. 457 criminal code) Use of counterfeited or altered duty-paid paper received in good faith (art. 464, para. 2, criminal code)	Up to two hundred quotas	NO
Use of counterfeited or altered duty-paid paper except in cases of collusion in the counterfeiting or alteration (art, 464, para. 1, criminal code)	Up to three hundred quotas	
Art. 25-bis.1 Decree 231/2001 – Crimes against trade and industry		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Disturbing the freedom of trade and industry (art. 513 criminal code) Fraud in the exercise of trade (art. 515 criminal code) Sale as genuine of fake foodstuffs (art. 516 criminal code) Sale of industrial products with false signs (art. 517 criminal code) Manufacture and trade in goods made by appropriating industrial property rights (art. 517-ter criminal code) Counterfeiting of designation or geographical area of origin of food industry products (art. 517-quater criminal code)	Up to five hundred quotas	NO
Illegal competition with threats or violence (art. 513-bis criminal code) Fraud against national industries (art. 514 criminal code)	Up to eight hundred quotas	- ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Art. 25-ter Decree 231/2001 – Corporate crimes		
OFFENCES ENVISAGED	PECUNIARY PENALTIES[1]	SUSPENSIONS
False corporate communications (art. 2621 civil code)	From two hundred to three hundred quotas	NO
False corporate communications to the detriment of the company, owners or creditors (art. 2622, para. 1, civil code) Operations detrimental to creditors (art. 2629 civil code) Improper distribution of company assets by liquidators (art. 2633 civil code) Illegal influence over the shareholders' meeting (art. 2636 civil code)	From three hundred to six hundred and sixty quotas	
False corporate communications to the detriment of the company, owners or creditors in the case of listed companies (art. 2622, para. 3, civil code)	From four hundred to eight hundred quotas	
False prospectuses (v. art. 173-bis Consolidated Finance Law, which replaced art. 2623 civil code, abrogated)[2]	From two hundred to two hundred and sixty quotas or from four hundred to six hundred and sixty quotas, depending on whether or not a loss was caused	NO
Illegal distribution of profits and reserves (art. 2627 civil code)	From two hundred to two hundred and sixty quotas	NO
False reports or communications by the legal auditor (art. 2624 civil code abrogated, see now art. 27, para. 2, Decree 39/2010)[3]	From two hundred to two hundred and sixty quotas or from four hundred to eight hundred quotas, depending on whether or not a loss was caused.	
Impeding the activities of public supervisory authorities (art. 2638, paras. 1 and 2, civil code)	From four hundred to eight hundred quotas	
Impeding controls to the detriment of the owners (art. 2625, para. 2, civil code) Improper return of contributions (art. 2626 civil code) Illegal transactions in shares or quotas of the company or the parent company (art. 2628 civil code) Fictitious formation of capital (art. 2632 civil code)	From two hundred to three hundred and sixty quotas	
Market manipulation (art. 2637 civil code) Failure to disclose conflicts of interest (art. 2629-bis civil code)	From four hundred to one thousand quotas	
Corruption between private persons, limited to the conduct of someone who "gives or promises money or other benefits" (art. 2635, para. 3, civil code)	From two hundred to four hundred quotas	

(1) The pecuniary penalty is increased by one third if the organisation obtains a significant profit from the predicate offence.
(2) Art. 2623 civil code was abrogated by art. 34, Law 262/2005 (reform of savings and investment). The corresponding offence was transferred to the Consolidated Finance Law (art. 173-bis) but was not referred to in art. 25-ter of Decree 231which is therefore considered inapplicable. In addition, there is a lack of coordination between art. 25-ter of Decree 231 and art. 173-bis of the Consolidated Finance Law: in rewording the offence of false prospectuses, the latter law does not require determination of the loss of wealth incurred by the recipients of the prospectus, which by contrast is still envisaged in art. 25-ter of Decree 231.
(3) Art. 2624 civil code was abrogated by art. 37, para. 34, Decree 39/2010 (Consolidated law on the legal audit of the accounts). The corresponding offence was transferred to art. 27 of the above decree, but was not referred to in art. 25-ter of Decree 231/2001 and is therefore considered inapplicable.

Art. 25-quater Decree 231/2001 – Crimes for the purpose of terrorism or the subversion of democratic order		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Crimes for the purpose of terrorism or subversion envisaged by the criminal code or special laws punished by imprisonment for less than 10 years	From two hundred to seven hundred quotas	For at least one year: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services. - definitive ban on carrying out activities if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence.
Crimes for the purpose of terrorism or subversion envisaged by the criminal code or special laws punished by imprisonment for not less than 10 years or for life	From four hundred to one thousand quotas	
Art. 25-quater.1 Decree 231/2001 – Mutilation of female genitals		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Mutilation of female genitals (583-bis criminal code)	From three hundred to seven hundred quotas	For at least one year: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences, accreditation (if an accredited private entity) or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Art. 25-quinquies Decree 231/2001 – Crimes against individuals		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS[4]
Sexual acts with persons aged between fourteen and eighteen in exchange for money or other consideration (art. 600-bis, para. 2, criminal code) Child pornography - Offer or sale of pedo-pornographic materials, via the Internet or otherwise (art. 600-ter, paras. 3 and 4 criminal code) Holding of pedo-pornographic materials (art. 600-quater criminal code) Soliciting of minors (art. 609-undecies criminal code)	From two hundred to seven hundred quotas (even if relating to pornographic materials showing pictures of minors or parts of them)	
Child prostitution (art. 600-bis, para. 1, criminal code) Child pornography - Recruitment or use of minors for pornographic shows and the distribution of pedo-pornographic materials, on a virtual basis or otherwise (art. 600-ter, paras. 1 and 2, criminal code) Tourism to take advantage of child prostitution (art. 600 quinquies criminal code)	From three hundred to eight hundred quotas	For at least one year: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the envisaged offence) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Reduction into or detention in slavery or serfdom (art. 600 criminal code) Holding of persons (art. 601 criminal code) Purchase or sale of slaves (art. 602 criminal code)	From four hundred to one thousand quotas	
Art. 25-sexies Decree 231/2001 – Market abuse		
PREDICATE OFFENCES[5]	PECUNIARY PENALTIES	SUSPENSIONS
Insider trading (art. 184 Decree 58/1998) Market manipulation (art. 185 Decree 58/1998)	From four hundred to one thousand quotas (but if the offences generated a significant profit or benefit for the organisation, the penalty is raised to up to ten times that profit or benefit)	NO

(4) Definitive ban on carrying out activities if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the predicate offence.

(5) Insider trading and market manipulation, when carried out in the interests or for the benefit of the organisation, may also be an administrative offence. Pursuant to art.187-quinquies of the Consolidated Finance Law, Consob may levy pecuniary administrative penalties from 100 thousand to 15 million euro or from 100 thousand to 25 million euro for, respectively, insider trading and market manipulation; in addition, the penalty may be raised to up to ten times the profit or benefit obtained by the organisation as a result of committing the offence, if that profit or benefit is significant.

Art. 25-septies Decree 231/2001 – Manslaughter or serious or very serious personal injuries caused in violation of the health and safety at work regulations		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Manslaughter caused in violation of art. 55, para. 2, Decree 81/08 (art. 589 criminal code)	One thousand quotas	For at least three months and not more than one year: - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Manslaughter caused in violation of the health and safety at work regulations (art. 589 criminal code)	From two hundred and fifty to five hundred quotas	
Personal injuries caused with negligence in violation of the health and safety at work regulations (art. 590, para. 3, criminal code)	Not more than two hundred and fifty quotas	For not more than six months: - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Art. 25-octies Decree 231/2001 – Receiving, recycling and use of money, assets or benefits deriving from illegal sources		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Receiving (art. 648 criminal code) Recycling (art. 648-bis criminal code) Use of money, assets or benefits deriving from illegal sources (art. 648-ter criminal code) Self-recycling (art. 648-ter.1 criminal code)	From two hundred to eight hundred quotas (from four hundred to one thousand quotas if the money, assets or other benefits derive from offences for which the maximum penalty is imprisonment for more than five years)	For not more than two years: - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Art. 25-novies Decree 231/2001 – Violation of the regulations governing authorship rights		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Protection of economic and moral utilisation rights (art. 171, para. 1, letter a-bis para. 3, Law no. 633/1941) Protection of software and databases (art. 171 -bis Law no. 633/1941) Protection of audio-visual works (art. 171-ter Law no. 633/1941) Criminal liability for media (art. 171 -septies Law no. 633/1941) Criminal liability for audio-visual transmissions with conditional access (art. 171-octies Law no. 633/1941)	Up to five hundred quotas	For not more than one year: - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.

Art. 25-decies Decree 231/2001 – Inducement to not make declarations or to make false declarations to the judiciary		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Inducement to not make declarations or to make false declarations to the judiciary (art. 377-bis criminal code)	Up to five hundred quotas	NO
Art. 25-undecies Decree 231/2001 – Environmental offences		
PREDICATE OFFENCES	PECUNIARY PENALTIES	SUSPENSIONS
Environmental pollution (art. 452 bis criminal code)	From two hundred and fifty to six hundred quotas	For not more than one year: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the offence envisaged in art. 260 of Decree 152/2006) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Environmental disaster (art. 452-quater criminal code)	From four hundred to eight hundred quotas	- ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the offence envisaged in art. 260 of Decree 152/2006) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Negligent offences against the environment (art. 452-quinquies criminal code)	From two hundred to five hundred quotas	NO
Criminal association to cause pollution and/or environmental disaster (art. 452 – octies criminal code)	From three hundred to one thousand quotas	NO
Traffic and abandonment of highly radioactive materials (art. 452 – sexies criminal code)	From two hundred and fifty to six hundred quotas	NO

Killing, destruction, capture, taking, holding of examples of protected wild animal or vegetable species (art. 727-bis criminal code)	Up to two hundred and fifty quotas	NO
Destruction or deterioration of the habitat within a protected site (art. 733-bis criminal code)	From one hundred and fifty to two hundred and fifty quotas	
Offences relating to the discharge of industrial waste water (art. 137 Decree 152/2006)	From one hundred and fifty to two hundred and fifty quotas (paras. 3, 5, first sentence, and 13)	NO
	From two hundred to three hundred quotas (paras. 2, 5, second sentence, 11)	For not more than six months: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the offence envisaged in art. 260 of Decree 152/2006) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Organised activities for the illegal trafficking of waste (art. 260 Decree 152/2006)	From three hundred to five hundred quotas (para. 1) From four hundred to eight hundred quotas (para. 2)	
Offences relating to the unauthorised management of waste (art. 256 Decree 152/2006)	Up to two hundred and fifty quotas (para. 1, letter a, and 6, first sentence) From one hundred and fifty to two hundred and fifty quotas (paras. 1, letter b, 3 first sentence and 5) From two hundred to three hundred quotas (para. 3, second sentence) The penalties are halved for non-compliance with the instructions contained in or referenced by the authorisations, or for deficiencies in meeting the requirements and conditions for registrations or communications.	The following apply solely in the case of para. 3, second sentence, and for not more than six months: - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Offences relating to the clean-up of sites (art. 257 Decree 152/2006)	Up to two hundred and fifty quotas (para. 1) From one hundred and fifty to two hundred and fifty quotas (paras. 2)	NO
Violation of the obligations to notify, or keep mandatory registers and formula lists (art. 258 Decree 152/2006)	From one hundred and fifty to two hundred and fifty quotas (paras. 4, second sentence)	
Illegal trafficking of waste (art. 259 Decree 152/2006)	From one hundred and fifty to two hundred and fifty quotas (paras. 1)	

IT system for controlling the traceability of waste (art. 260-bisDecree 152/2006)	From one hundred and fifty to two hundred and fifty quotas (paras. 6 and 7, second and third sentences, and 8, first sentence) From two hundred to three hundred quotas (para. 8, second sentence)	NO
Offences relating to the protection of animal and vegetable species threatened with extinction (Law 150/1992)	Up to two hundred and fifty quotas (art. 1, para. 1, art. 2, paras. 1 and 2, art. 6, para. 4, art. 3-bis, para. 1 if imprisonment is envisaged for not more than one year) From one hundred and fifty to two hundred and fifty quotas (art. 1, para. 2, art. 3-bis, para. 1 if imprisonment is envisaged for not more than two years) From two hundred to three hundred quotas (art. 3-bis, para. 1 if imprisonment is envisaged for not more than three years) From three hundred to five hundred quotas (art. 3-bis, para. 1 if imprisonment is envisaged for more than three years)	NO
Offences relating to ozone and the atmosphere (art. 3, para. 6, Law no. 549/1993)	From one hundred and fifty to two hundred and fifty quotas	
Offences relating to protection of the air and the reduction of atmospheric emissions (art. 279, para. 5, Decree 152/2006)	Up to two hundred and fifty quotas	
Negligent pollution caused by ships (art. 9, para. 1, Decree 202/2007)		
Negligent pollution caused by ships or aggravated negligent pollution causing permanent or, in any case, significantly serious damage to the waters (arts. 8, para. 1, and 9, para. 2, Decree 202/2007)	From one hundred and fifty to two hundred and fifty quotas	For not more than six months: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the offence envisaged in art. 8 of Decree 202/2007) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services.
Aggravated negligent pollution causing permanent or, in any case, significantly serious damage to the waters (art. 8, para. 2, Decree 202/2007)	From two hundred to three hundred quotas	
Art. 25-duodecies Decree 231/2001 – Employment of foreign citizens without a proper permit		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Employment of foreign workers without a residence permit or with an expired, revoked or cancelled residence permit, aggravated by employing more than three, by using under-age workers or by imposing particularly unfair working conditions (art. 22, para. 12-bis, Decree 286/1998)	From one hundred to two hundred quotas, within a limit of € 150,000.00	NO

Art. 25-terdecies of Decree 231/2001 – Racism and xenophobia		
PREDICATE OFFENCES	PECUNIARY PENALTIES	SUSPENSIONS
Propaganda or instigation and incitement, committed in such a way as to give rise to a concrete danger of spreading, based in whole or in part on the denial, serious minimisation or apologia of the Holocaust or of the crimes of genocide, crimes against humanity or war crimes (art. 5, para. 2, Law no. 167/2017)	From two hundred to eight hundred quotas	In cases of conviction for the offences referred to in paragraph 1, the suspensions envisaged by article 9, paragraph 2 are applied to the organisation for a duration of not less than one year. If the organisation or one of its organisational units is permanently used for the sole or main purpose of allowing or facilitating commission of the offences indicated in paragraph 1, the definitive suspension from performing the activity is applied pursuant to article 16, paragraph 3.
Article 25-quaterdecies of Decree 231/2001 – Fraud in sporting competitions, illegal gaming or betting and games of chance performed using prohibited devices		
PREDICATE OFFENCES	PECUNIARY PENALTIES	SUSPENSIONS
Offer of money or other benefit or advantage to one of the participants of a sporting competition organised by federations recognised by the Italian National Olympic Committee (CONI), by the Italian Union for the increase of equine breeds (UNIRE) or by other sporting bodies recognised by the State and by the associations adhering to them, in order to achieve a different result from that achieved from the correct and fair conduct of the competition, or the performance of other fraudulent acts aimed at the same purpose. Illegal use of the organisation for (i) lottery games or betting or prediction competitions that the law reserves to the State or other concessionary body, (ii) betting or prediction competitions on sports activities managed by the Italian National Olympic Committee (CONI), by organisations dependent on this or by the Italian Union for the increase of equine breeds (UNIRE), (iii) organisation of public bets on other human or animal competitions and games of skill.	For offences, up to five hundred quotas. For fines, up to two hundred and sixty quotas.	For offences, the suspension provided for by article 9 paragraph 2 is applied, for not less than one year.

Art. 25-quinquiesdecies of Decree 231/2001 – Tax offences		
PREDICATE OFFENCES	PECUNIARY PENALTIES	SUSPENSIONS
Fraudulent declaration by means of invoices or other documents for non-existent transactions which determine a fictitious liability equal to or greater than one hundred thousand euro (Article 2, para. 1 of Decree no. 74/2000)	Up to 500 quotas	- the ban on contracting with the Public Administration, except in order to obtain a public service; - exclusion from access to assistance, loans, grants or subsidies and the possible revocation of those already granted; - the ban on advertising goods and services
Fraudulent declaration by means of invoices or other documents for non-existent transactions which determine a fictitious liability of less than one hundred thousand euro (Article 2, para. 2-bis of Decree no. 74/2000)	Up to 400 quotas	
Fraudulent declaration by other means (Article 3 of Decree no. 74/2000)	Up to 500 quotas	
Issue of invoices or other documents for non-existent transactions for amounts equal to or greater than one hundred thousand euro (Article 8, para. 1 of Decree no. 74/2000)	Up to 500 quotas	
Issue of invoices or other documents for non-existent transactions for amounts of less than one hundred thousand euro (Article 8, para. 2-bis of Decree no. 74/2000)	Up to 400 quotas	
Concealment or destruction of accounting documents (Article 10 of Decree No. 74/2000)	Up to 400 quotas	
Fraudulent evasion of tax payments (art.11 of Decree no. 74/2000)	Up to 400 quotas	
Unfaithful declaration in the event of serious cross-border VAT fraud[6] (Article 4 of Decree 74/2000)	Up to 300 quotas	
Omitted declaration in the event of serious cross-border VAT fraud (Article 5 of Decree 74/2000)	Up to 400 quotas	
Undue compensation in the event of serious cross-border VAT fraud (Article 10-quarter of Decree 74/2000)	Up to 400 quotas	

([6]) Serious cross-border VAT fraud refers to offences committed in the context of cross-border fraudulent systems and in order to evade value added tax for a total amount of not less than ten million euro.

Article 25-sexiesdecies Decree 231/2001 - Smuggling		
OFFENCE	PECUNIARY PENALTIES	SUSPENSIONS
• Smuggling in the movement of goods through land borders and customs spaces (Article 282 of Presidential Decree No. 43/1973) • Smuggling in the movement of goods via border lakes (art. 283 Presidential Decree no. 43/1973) • Smuggling in the movement of goods by sea (art. 284 Presidential Decree no. 43/1973) • Smuggling in the movement of goods by air (art. 285 Presidential Decree no. 43/1973) • Smuggling in extra-customs areas (Article 286 of Presidential Decree no. 43/1973) • Smuggling for undue use of goods imported with customs facilitation (art. 287 of Presidential Decree no. 43/1973) • Smuggling in customs warehouses (Article 288 of Presidential Decree no. 43/1973) • Smuggling in cabotage and circulation (art. 289 Presidential Decree no. 43/1973) • Smuggling in the export of goods eligible for refund of duties (art. 290 of Presidential Decree no. 43/1973) • Smuggling in temporary import or export (art. 291 Presidential Decree no. 43/1973) • Smuggling of foreign processed tobacco (art. 291-bis of Presidential Decree no. 43/1973) • Aggravating circumstances of the offence of smuggling foreign processed tobacco (art. 291-ter of Presidential Decree no. 43/1973) • Criminal association for the contraband of foreign processed tobaccos (art. 291-quater Pres. Decree no. 43/1973) • Other cases of smuggling (art. 292 of Presidential Decree no. 43/1973) • Aggravating circumstances of smuggling (art. 295 Presidential Decree no. 43/1973)	Up to 200 quotas. Up to 400 quotas if the border rights owed exceed € 100,000.	The suspensions referred to in article 9, paragraph 2, letters c), d) and e) shall apply on: - the ban on contracting with the Public Administration except to obtain the performance of a public service; - exclusion from access to assistance, loans, grants or subsidies and the possible revocation of those already granted; - the ban on advertising goods or services.
Article 25–septiesdecies Decree 231/2001 – Offences against cultural heritage		
PREDICATE OFFENCES	PECUNIARY PENALTIES	SUSPENSIONS
Theft of cultural property (art. 518-bis of the criminal code)	From four hundred to nine hundred quotas	In the event of conviction for the offences referred to in paragraphs 1 to 4, the suspensions envisaged by article 9, paragraph 2 are applied to the organisation for a duration not exceeding two years
Misappropriation of cultural assets (art. 518-ter criminal code)	From two hundred to five hundred quotas	
Receiving stolen cultural goods (art. 518-quater of the criminal code)	From four hundred to nine hundred quotas	

Forgery in private writing relating to cultural assets (art. 518-octies criminal code)	From four hundred to nine hundred quotas	
Violations regarding the alienation of cultural assets (art. 518-novies criminal code)	From one hundred to four hundred quotas	
Illegal import of cultural assets (art. 518-decies criminal code)	From two hundred to five hundred quotas	
Illegal exit or export of cultural assets (art. 518-undecies criminal code)	From two hundred to five hundred quotas	
Destruction, dispersion, deterioration, disfigurement, soiling and illegal use of cultural or landscape assets (art. 518-duodecies criminal code)	From three hundred to seven hundred quotas	
Counterfeiting of works of art (art. 518-quaterdecies criminal code)	From three hundred to seven hundred quotas	
Art. 25 – duodevicies Decree 231/2001 – Recycling of cultural assets and devastation and looting of cultural and landscape assets		
PREDICATE OFFENCES	PECUNIARY PENALTIES	SUSPENSIONS
• Recycling of cultural assets (art. 518-sexies criminal code) • Devastation and looting of cultural and landscape assets (art. 518-terdecies criminal code)	From five hundred to one thousand quotas	If the organisation or one of its organisational units is permanently used for the sole or main purpose of allowing or facilitating commission of the offences indicated in paragraph 1, the definitive suspension from performing the activity is applied pursuant to article 16, paragraph 3.
Art. 10 Law no. 146/2006 – Ratification and implementation of the UN Convention against transnational organized crime		
OFFENCES ENVISAGED	PECUNIARY PENALTIES	SUSPENSIONS
Criminal association (art. 416 criminal code) Italian and foreign mafia-related associations (art. 416-bis criminal code) Criminal association for the contraband of foreign processed tobaccos (art. 291-quater Pres. Decree no. 43/1973) Association for the illegal trafficking of narcotics or psychotropic drugs (art. 74 Pres. Decree no. 309/1990)	From four hundred to one thousand quotas	For at least one year: - ban on carrying out activities (definitive ban if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of one of the envisaged offences) - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services. Definitive ban on carrying out activities if the company or its operating unit are routinely used for the sole or principal purpose of allowing or facilitating commitment of the predicate offences.

Offences relating to clandestine immigration (art. 12, paras. 3, 3-bis, 3- ter and 5, Decree 286/1998)	From two hundred to one thousand quotas	For not more than two years: - ban on carrying out activities - suspension or revocation of the authorisations, licences or concessions needed in order to commit the offence - prohibition from entering into contracts with the P.A. - exclusion from access to assistance and the revocation of any already obtained - prohibition from advertising goods or services
Inducement to not make declarations or to make false declarations to the judiciary (art. 377-bis criminal code) Aiding and abetting (art. 378 criminal code)	Up to five hundred quotas	NO

2 COMPANY DESCRIPTION

2.1 General organisational structure

I.R.C.A. S.p.A. Industria Resistenze Corazzate e Affini (hereinafter, IRCA) was formed in 1980.

Activities essentially consist in the design, production and sale in world markets of heating systems and elements, complete with electronic controls, for both domestic and industrial applications. The Company guarantees sound skills and constant innovation in the development of heating systems of various types: tubular elements, cartridge and band heating elements, flexible foil, heating cables, open coil heaters, aluminium finned elements, functional assemblies and electronic controls.

Based on direct knowledge from studies and external collaboration (including suppliers), as well as from research into new technologies and materials, the Company seeks to make better and more innovative products that satisfy Customer demand.

2.2 System of governance and powers of management

The Company has the following bodies:

a) Shareholder's Meeting;

b) Administrative Body (Board of Directors);

c) Board of Statutory Auditors.

The Shareholder's Meeting decides the administrative direction of IRCA, checks the implementation of this direction and carries out the activities reserved for it by law and the Articles of Association.

The Administrative Body (Board of Directors) exercises all powers for the ordinary and extraordinary administration of the Company - with the exception of the powers reserved to the Shareholders' Meeting by law or by the Articles of Association - and is empowered to carry out all deeds that it considers appropriate for the pursuit and achievement of the corporate objects.

The Company is represented by the Chairman and/or the Managing Director, to the extent of the mandates granted to them.

The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, compliance with the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure and systems adopted by the Company, as well as their proper functioning in practice.

IRCA's governance system is aimed at ensuring the regularity of the Company's management and executive operations and at controlling the related risks.

2.3 Operational areas of the business

The operating structure of IRCA comprises:

- Business units;
- Business functions

organised in a matrix structure.

Manufacturing is carried out at (Annex I):

1. the Vittorio Veneto factory, via Podgora no. 26 (tubular, cartridge and boiler departments);
2. the Conegliano factory, via Martiri delle Foibe no. 1 (etched foil department, assemblies department and heating panels department);
3. the Conegliano factory, via Martiri delle Foibe no. 3 (Warehouse Logistics HUB managed in outsourcing);
4. the Conegliano factory, via Martiri delle Foibe no. 5 (manufacture of machines/equipment for the production of heating elements and systems).

The production cycles depend on the technology/department and generally operate over two or three shifts.

3 ORGANISATION, MANAGEMENT AND CONTROL MODEL AND METHODOLOGY ADOPTED FOR ITS PREPARATION

3.1 Preparatory activities

The development of this Model was preceded by a series of preparatory activities, divided into phases, for the construction of a system for the prevention and management of risk that is consistent with the provisions of Decree 231/2001 and takes account of the Confindustria Guidelines.

The phases during which the risk areas were identified, for use in the preparation of this Model, are described briefly below.

i) Identification of Sensitive Processes

Sensitive Processes were identified by examining the corporate documentation (articles of associations, mandates granting powers, principal corporate procedures, powers of attorney, internal circulars etc.) and by conducting a series of interviews with key persons in the organisation, who are listed in Annex II ("Persons interviewed").

This analysis made it possible to identify a series of Sensitive Processes within the organisation that, at least in abstract terms, could lead to the commitment of offences.

The past activities of IRCA were also reviewed in order to identify any risk situations and their causes.

ii) Risk analysis

Existing controls over each area potentially exposed to the risk of committing significant offences were then identified and assessed (as-is analysis).

This phase therefore involved identification and critical assessment of the tools used by the organisation to formalise the duties and monitor the powers assigned to individuals, in order to define and standardise activities that assure an adequate level of operational supervision.

The above preparatory analysis was necessary in order to identify any weaknesses to be overcome and improvements to be implemented (gap analysis).

This last analysis was carried out with reference to the results obtained in the previous phase and a reference model, as required by the Decree, the relevant jurisprudence and doctrine, the Confindustria Guidelines and best practice.

As a consequence, the Organisation identified a number of areas in which the system of controls could be extended and improved, resulting in decisions on the appropriate action to take.

The entire process was referred to the Organisation, which acted diligently to prepare an efficient system of procedures for the prevention of offences.

3.2 Preparation of the Model

This Model comprises a "General Part", containing general principles and rules relevant to the matters governed by Decree 231/2001, and a number of individual "Special Parts" prepared in relation to each of the categories of offence envisaged in Decree 231/2001 that, in abstract terms, the organisation might commit. This determination was made as a consequence of the analyses described above, with each special part containing non-exhaustive examples that are presented merely to facilitate understanding of the rules by the recipients of the Model.

In particular, the "Special Sections" currently envisaged by the Model are as follows:

I. Special Part I, called "Offences committed in relations with the Public Administration", which relates to the offences specified in arts. 24 and 25 of Decree 231/2001;
II. Special Part II, called "Corporate offences relating to receiving stolen goods, money laundering and the use of assets or benefits from illegal sources, including self-laundering"
III. Special Part III, called "Offences committed in violation of the regulations on the health and safety of workers", which relates to the offences specified in art. 25-septies of Decree 231/2001;
IV. Special Part IV called "IT offences and improper data processing", which relates to the offences specified in art. 24-bis of Decree 231/2001;
V. Special Part V called "Environmental offences", which relates to the offences specified in art. 25-undecies of Decree 231/2001;
VI. Special Part VI called "Offences against trade and industry", which relates to the offences specified in art. 25-bis 1 of Decree 231/2001;
VII. Special Part VII called "Tax offences" which relates to the offences specified in art. 25-quinquiesdecies of Decree 231/2001;
VIII. Special Part VIII called "Smuggling" which relates to the offences specified in art. 25-sexiesdecies of Decree 231/2001.

i) Function of the Model

Adoption and effective implementation of the Model should not only enable IRCA to benefit from the exemption allowed by Decree 231/2001, but also to improve, subject to the limitations envisaged, the system of internal control and therefore to reduce the risk of committing offences.

The purpose of the Model is to prepare a structured and organic system of procedures and controls (both ex ante and ex post), in order to reduce the risk of committing the Offences by identifying the Sensitive Processes and establishing suitable procedures for them.

The principles contained in this Model must, on the one hand, lead potential perpetrators of an offence to full awareness that its commitment is illegal (and

strongly condemned as not in the interests of the organisation, even if an apparent advantage might be obtained) and, on the other, enable the company to react on a timely basis, due to the constant monitoring of activities, in order to prevent or impede commitment of that offence.

In the context of the Sensitive Processes, one of the purposes of the Model is therefore to develop among the Employees, Corporate Bodies, Consortium Members, Consultants and Partners that work for and in the interests of IRCA, an awareness - in the event of conduct not compliant with the Model and other corporate procedures (and the law) - that they might commit illegal acts with significant consequences under criminal law for both themselves and the organisation.

ii) Constituent elements of the Model

As envisaged in the Guidelines, the system of internal control, the system of management control and the related policies and procedures are considered to be general elements within the Model.

In particular:

a) the Code of Ethics (Annex IV);

b) the Disciplinary Code (Annex V);

c) the documentation and instructions relating to the hierarchical-functional and organisational structure (Annex I);

e) the corporate rules governing the principles of conduct and control, as well as the specific procedures for the Sensitive Processes in specific areas in which the risk of committing offences is higher (Annex VII);

f) in general, the corporate rules for the delegation of powers and control of the administration, accounting and financial system of the organisation.

This Model is therefore part of the wider system of controls that principally comprises the system of internal regulations already established by the organisation.

iii) Adoption of the Model and subsequent amendments and updates

The Board of Directors of IRCA has adopted this Model.

As this Model is a “deed issued by the administrative body”, all subsequent amendments and additions are also the responsibility of the Board of Directors of the Company.

In this regard, the Supervisory Body has been delegated specific duties and powers that are described in a separate chapter.

Accordingly, the Board of Directors resolves on amendments and updates to the Model with reference to the amendments and/or updates that are presented to it for approval.

Once amendments are approved, the Supervisory Body implements them without delay and arranges for the appropriate communications of their content to be made both within the organisation and externally.

In order to ensure that the changes to the Model are implemented with the necessary promptness and effectiveness, without at the same time incurring defects in coordination between operating processes, the provisions contained in the Model and their dissemination, the Chairman of the Board of Directors, by virtue of the powers conferred to it, has the right to update the Model. In this case, the Board of Directors ratifies all the changes potentially made by the Chairman during the first meeting convened after updating the Model. Pending ratification by the Board of Directors, the changes made by the Chairman of the Board of Directors must be considered fully valid and effective.

3.3 Sensitive Processes

The risk analysis of the activities of the Company, carried out for the purpose of complying with Decree 231/2001, identified the following principal Sensitive Processes:

- offences against the Public Administration;
- corporate offences and recycling offences;
- workplace safety crimes;
- IT crimes;
- environmental offences;
- offences against trade and industry;
- tax offences;
- smuggling offences.

At this time, there is not thought to be any reasonable likelihood that the Company would commit the other offences envisaged in Decree 231/2001.

Considering their intrinsic nature, the activities thought to be most exposed to the commitment of Crimes envisaged in Decree 231/2001 are detailed in the respective Special Parts. Monitoring corporate activities and the changes in legislation, the Supervisory Body has the power to identify any additional risk areas that might be included in the list of Sensitive Processes.

4 THE SUPERVISORY BODY (SB)

4.1 Identification of the Supervisory Body

The Guidelines identify autonomy and independence, professionalism and continuity of action as the principal requirements for the Supervisory Body.
In particular, according to the Guidelines, these requirements mean that:

- the Supervisory Body should be "a staff unit at the highest possible level within the hierarchy";
- the Supervisory Body should keep the top decision-making body (Chairman, Deputy Chairman, Board of Directors as a whole) constantly informed;
- the Supervisory Body taken as a whole should not have operational duties that - by participation in operational decisions and activities - would jeopardise its ability to form objective opinions;
- the characteristic of professionalism relates to the "accumulated tools and techniques" needed to perform effectively the delegated supervisory and control activities;
- continuity of action is facilitated by the presence of a unit dedicated primarily to guaranteeing constant, effective implementation of the Model, "without operational duties that might lead it to make decisions with economic-financial effects".

Accordingly, the Supervisory Body is tasked with carrying out the supervision and control functions envisaged in the Model.
The Supervisory Body is appointed in a manner that ensures with high reliability that the subjective eligibility requirements are met, further guaranteeing the autonomy and independence required by the duties entrusted to it.
Applying the above principles to the corporate reality of the Company and having regard for the specific tasks of the Supervisory Body, the persons listed in the relevant attachment have been appointed (Attachment IIIA: members of the SB).

The SB has an e-mail address, odv@ext.zoppas.com, to which each IRCA employee and/or consortium member may report any violations of the principles, code of conduct or procedures envisaged in the Model, as well as request information about the content and application of the Model.

4.2 Regulation of the Supervisory Body

Together with the Model, IRCA has adopted a Regulation governing the activities, duties and powers to report, check and control of the Supervisory Body (Attachment III).

4.3 Notifications and reporting to the Supervisory Body

Management must inform the SB of any aspects of the company activity that may expose the company to the risk of committing one of the predicate offences contemplated in the Decree.

The SB must also be informed, through specific reports from the directors, managers, employees, consultants and partners, regarding events that could lead to IRCA's liability in relation to the offences envisaged by the aforementioned Decree.
In particular, reports must be collected relating to the commission or the reasonable conviction of commission of the offences envisaged by the decree in question or, in any case, of any conduct not in line with the rules of conduct of this Model.

IRCA has adopted a specific procedure for the collection of reports - in compliance with the provisions of art. 6 of Decree 231/01 on Whistleblowing - inserted as Annex VI.

Anyone who, when performing their duties, should notice a breach of the principles and rules set out above or become aware of or harbour the well-founded suspicion of relevant facts or acts being committed, symptomatic of there being the risk of committing one or more offences contemplated by Decree 231/2001, is required to promptly notify the SB, which will take steps to adopt the appropriate measures, in compliance with the provisions of the Procedure for notifying and reporting to the SB attached to this Model under Annex VI.

5 DISCIPLINARY SYSTEM

The supervisory action of the Supervisory Body guarantees the effectiveness of this Model via the application of a system of penalties for violating the rules contained herein. Pursuant to art. 6, second para., letter e) of Decree 231/2001, the definition of this disciplinary system is an essential prerequisite for the Model in order to obtain the exemption from responsibility of the Company.

5.1 Measures in relation to employees and executives

Violation by Employees – including Executives – of the individual rules of conduct specified in this Model is a disciplinable misdeed – as defined in the internal Disciplinary Code approved together with this Model (Attachment V) – and will be penalised in the manner envisaged in the Disciplinary Code.

The verification of violations, the disciplinary proceedings and the giving of penalties are all subject to the powers assigned, to the extent of their responsibilities, to the senior decision-making body and the general manager in accordance with the collective employment contract.
The penalties and any requests for the reimbursement of losses will be proportionate to the level of responsibility and autonomy of the Employee, any prior disciplinary action taken, the deliberate nature of the conduct and its seriousness, meaning the level of risk to which the organisation may reasonably be deemed exposed - pursuant and consequent to Decree 231/2001 - as a result of the penalised conduct and, in any cases, within the limits established in the collective employment contract for engineering workers.

The disciplinary system is checked and assessed constantly by the Supervisory Body, which ensures that the disciplinary measures are actually authorised and applied.
In compliance with the relevant regulation and having regard for the specific nature of the violations and the related penalties, IRCA has made all Employees aware of the instructions and rules of conduct contained in the Model, the violation of which represents a disciplinable misdeed, together with the penalties that apply based on the seriousness of the misdeeds concerned.

5.2 Measures in relation to directors

Should one or more members of the Board of Directors, if appointed, violate the Model, the Supervisory Body will notify the entire Board of Directors so that it can take the appropriate action.

5.3 Measures in relation to Auditors

Should the Statutory Auditors violate the Model, the Supervisory Body will notify the entire Board of Directors so that it can take the appropriate action.

6

FUNCTION, GUIDING PRINCIPLES AND STRUCTURE OF THE MODEL ADOPTED BY THE COMPANY

The primary function of this Model is to establish a structured system capable of preventing the commitment of Offences in the course of the corporate activities that involve “sensitive” processes within the identified risk areas.
This is achieved by:

- making all Recipients aware that, in the event of violating the instructions contained in the Model, they might commit a disciplinable misdeed subject to administrative and criminal penalties not only for themselves, but also for the organisation;
- condemnation by IRCA of all forms of improper conduct, as being against the ethical principles adopted by the organisation, as well as the law;
- ensuring that the organisation, by supervising corporate activities in the “risk areas”, can take timely and effective action to prevent the commitment of offences.

Subsequent to identification of the risk areas, a detailed analysis was carried out of the activities that take place in them.
In particular, the activities actually carried out were compared with the procedures approved and implemented by the Company.
When preparing the Model, central importance was in fact given to the analysis of existing procedures, in order to check their compatibility with the requirements to prevent, dissuade and control specified in Decree 231/2001.
In order to further enhance the existing system, given the above requirements, it was decided to develop certain additional documents that improve its consistency and standardisation in light of the purpose of the works.
Lastly, the Model was organised in a manner that enables it to be updated in a straight-forward and effective manner.
In particular, while the “General Part” contains general principles that are unlikely to change much, the “Special Part” is by contrast likely to change frequently, given the nature of the subject matter. In addition, it may be necessary to add “Special Parts” to the Model as a consequence of legislative changes - such as extension of the types of offence covered by the Decree, as referenced by other regulations - or changes in the activities of IRCA. There are also numerous attachments that, essentially for privacy reasons, can only be consulted by the persons directly concerned.

6.1 Risk areas

The analysis of the corporate activities identified a number of risk areas that are listed specifically in the relevant special parts.

The list of risk areas and related activities may change in future as the operations of the business develop.

Especially when there are changes in the business (opening of new factories, locations, work sites, expansion of activities etc.), the Supervisory Body is responsible for checking their effects and recommending to the Chairman/Managing Director any necessary changes in order to ensure that the "mapping of sensitive areas and operational processes" is constantly updated.

6.2 Model adoption procedure

Without prejudice to the provisions of point 3.3, any minor changes to the Model, of a non-substantial nature, deriving from the development of business activities will be approved and implemented directly by the Supervisory Body.

The same will then notify the Board of Directors about the changes it has approved; the Chairman/Managing Director will either confirm them or make further changes and/or additions.

In order to ensure that the changes to the Model are implemented with the necessary promptness and effectiveness, without at the same time incurring defects in coordination between operating processes, the provisions contained in the Model and their dissemination, the Chairman of the Board of Directors, by virtue of the powers conferred to it by the Board itself, has the right to update the Model. During the "transition period" prior to confirmation of the above amendments, they will be deemed effective and binding.

In all cases, the SB must notify the Board of Directors promptly in writing about any facts requiring modification of the Model, so that the appropriate resolutions can be adopted.

To the extent compatible, the above paragraph also applies to the procedural changes needed in order to implement the Model. These procedural changes must be notified to the SB in a timely manner.

6.3 Dissemination of the Model among the "stakeholders", training and the provision of information

The stakeholders of the organisation comprise:

- the Owners;
- the Managing Director or the Board of Directors;
- the Statutory Auditors;
- the Employees of the Company;

- the representatives of the organisation, howsoever legally empowered under Italian law;
- the external consultants, technicians and partners.

IRCA strives to ensure that the Model and its rules of functioning are drawn to the attention of the above stakeholders in a suitable manner.
This dissemination applies to all the above parties, with a level of detail that varies in relation to their roles and the duties assigned to them.
To this end, the organisation will publish the Model, in its updated version, on the website www.zoppasindustries.com and disseminate documents that are an integral part of the Model, such as the Code of Ethics, will send periodic e-mail updates and will collaborate with the Supervisory Body in the preparation of specific training and refresher courses for the Employees and Managers of the organisation.
These training courses will consist of lessons on the internal procedures of the organisation that are designed to prevent commitment of the offences analysed below.

IRCA will provide the Organisational Model to the various stakeholders in accordance with a specific dissemination plan.
For new recruits and persons who start their collaboration with the organisation for the first time, the above communication will be made at the time they begin their relationship with the Company.

I OFFENCES COMMITTED IN RELATIONS WITH THE PUBLIC ADMINISTRATION

1 Types of offence in relations with the Public Administration (arts. 24 and 25 of Decree 231/2001)

This Special Part relates to offences that might arise in the context of relations between IRCA and the Public Administration, if committed in the exclusive interests of the company, by directors, general managers or liquidators or by persons subject to their supervision, if the fact would not have happened had they supervised in compliance with the obligations inherent in their roles. The individual circumstances envisaged in arts. 24 and 25 of Decree 231/2001 are discussed briefly below, making reference to the texts of the Decree, the Criminal Code and the relevant Special Laws for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

• Misuse of funds to the detriment of the State or the European Union (art. 316-bis criminal code)

This offence is committed if, after having received funding or grants from the Italian State or the European Union, the recipient fails to use the amounts obtained for the purposes for which they were allocated (this conduct consists of diverting the amounts obtained, even if only in part, regardless of whether or not the planned activity was actually carried out).

The offence would be committed, for example, if after having obtained EU funding for the construction and/or renovation of factory premises, the directors of IRCA decided to abandon the original project and allocate the funds obtained to an increase in equity reserves.

The pecuniary penalty envisaged in that case would be as much as 500 quotas, plus prohibition from entering into contracts with the P.A.

Considering that the offence is committed in the executive phase, it might arise in relation to funding received in the past that is no longer allocated for the purposes for which it was granted.

• Improper collection of funds to the detriment of the State or the European Union (art. 316-ter criminal code)

This offence is committed if - via the use or the presentation of false declarations or documents or the failure to provide required information - grants, loans, assisted loans or other funds of the same type are obtained, without having any right to them, from the State, other public bodies or the European Union.

The offence would be committed for example if the organisation presented false

documents to obtain a loan for IRCA from the Italian State.
In this case, by contrast to that seen in the previous point (art. 316-bis), the use made of the funds is not relevant, as the offence is committed at the time of obtaining the loan.
Lastly, it is noted that this is a residual offence with respect to that of fraud to the detriment of the State, in that it only arises if the conduct does not actually represent fraud to the detriment of the State.
The pecuniary penalty envisaged in that case would be as much as 500 quotas, plus prohibition from entering into contracts with the P.A.

• Malfeasance (art. 317 criminal code)

This offence is committed if a public official or the provider of a public service acting in the abuse of their position forces someone to give them or others money or other benefits that are not due to them.
This is a residual offence among the circumstances envisaged in Decree 231/2001; in particular, this type of offence could arise if an employee of the Company aids and abets the offence committed by the public official who, by taking advantage of that role, requests the person responsible for accepting tenders to accept a tender from IRCA after the deadline.
The pecuniary penalty envisaged in that case would range from three hundred quotas to eight hundred quotas, plus prohibition from entering into contracts with the P.A.

• Corruption to obtain an official deed or contrary to official duty (arts. 318-319 criminal code)

This offence is committed if a public official receives money or other benefits, personally or for others, in order to perform, omit or delay official duties (for the benefit of the offeror). The activity of the public official might involve the performance of an official duty (for example, the undue acceleration of work to be performed), or a deed contrary to that duty (for example, the acceptance of money in order to guarantee the award of a contract).
This offence differs from malfeasance in that in this case an agreement exists between the corrupted and the corruptor to obtain a mutual benefit, while in the case of malfeasance the private person is subjected to the conduct of the public official or the provider of the public service.
The pecuniary penalty for the offence governed by art. 318 criminal code would be as much as two hundred quotas, while that for the offence governed by art. 319 criminal code would be between two hundred and six hundred quotas.

• Corruption to obtain a judicial deed (art. 319 ter criminal code)

This offence is committed if the company is party to a court case and, in order to obtain an advantage in that case, corrupts a public official or the provider of a public service (not just a magistrate, but also a registrar or other court official).

The offence would be committed, for example, if the General Manager of IRCA gave money to the Chairman of the Court that is hearing a case in which the Company is involved, in order to select a ruling magistrate with a particular bias in favour of IRCA.
The pecuniary penalty envisaged in that case would range from two hundred to six hundred quotas.

• Improper inducement to give or promise benefits (art. 319-quater criminal code)

This offence is committed if, unless the fact represents a more serious offence, the public official or provider of a public service, by abusing their position or powers, induces someone to give or promise them or others money or other benefits that are not due to them.
The pecuniary penalty envisaged in that case would range from three hundred to eight hundred quotas.

• Corruption of a person who provides a public service (art. 320 criminal code)

This offence is committed if the provider of a public service engages in the same criminal conduct as that attributable to a public official pursuant to arts. 318 criminal code and 319 criminal code
The offence would be committed, for example, if an employee of IRCA gave money to the provider of a public service in a municipality responsible for the paperwork for a concession, in order to obtain confidential information.
In that case, the corresponding pecuniary penalties for the above-mentioned offences (arts. 318 criminal code and 319 criminal code) would apply.

• Instigation of corruption (art. 322 criminal code)

This offence is committed if, faced with conduct intended to corrupt, the public official refuses the illegal offer made.
The offence would be committed, for example, if an employee of IRCA offered money to a municipal official, who however refused it, in order to facilitate the favourable outcome of an application made by the Company.
The pecuniary penalty envisaged in that case would be as much as six hundred quotas.

• Corruption and instigation of the corruption of members of European Community bodies and officials of the European Communities and foreign countries (art. 322 bis criminal code)

The instructions mentioned above in relation to arts. 317 - 320 and 322 also apply to the members of EU institutions (European Parliament, Court of Justice, EU Court of Accounts), EU officials, persons seconded to the EU by member States or any public

or private bodies, members and employees of bodies formed under the Treaties that established the EU, those who within the member States of the EU carry out functions or activities that correspond to those of public officials or providers of a public service.
In that case, the corresponding pecuniary penalties for the above-mentioned crimes of corruption would apply.

• Fraud to the detriment of the State or a public body or the European Union (art. 640, para. 2.1, criminal code)

This offence is committed if, in order to obtain an unjust profit, fraudulent action is taken in order to induce an error or inflict a loss on the State (or another public body or the European Union).
The offence would be committed for example if, when preparing documents or data in order to obtain special tax benefits, the directors of IRCA provided untrue information to the Public Administration (for example, false supporting documentation).
The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

• Aggravated fraud to obtain public funds (art. 640 bis criminal code)

This offence is committed if the fraud is perpetrated in order to obtain the improper payment of public funds.
The offence would be committed for example if the General Manager of the Company engaged in fraudulent conduct, for example by communicating untrue data or preparing false documentation, in order to obtain public funds for IRCA.
The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

• IT fraud if committed to the detriment of the State or a public body (art. 640 ter criminal code)

This offence is committed if the functioning of an IT or telematic system is altered, or the related data is manipulated, in order to obtain an unjust profit that inflicts a loss on the State or another public body. The offence would be committed for example if, after having obtained public funds or a social security service, one of the directors of IRCA accessed the IT system improperly in order to input an amount of funds greater than that obtained legitimately by the Company. The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

2 Sensitive processes in relations with the Public Administration

In view of the activities carried out by IRCA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that could involve the commitment of offences governed by arts. 24 and 25

of the Decree:

- transactions relating to assisted loans or carried out in order to obtain assistance and grants from the Public Administration;
- management of financial resources;
- Communication to the Public Administration of corporate information and data;
- management and hiring of personnel;
- management of social security matters;
- management of employee expense claims;
- management of the collaboration with external consultants;
- management of verification work, inspections and checks arranged by the PA in accordance with legislative and regulatory requirements;
- management of disputes at all levels of judgement, with assistance from external lawyers or otherwise;
- participation in tenders for contracts (sales/supplies to public bodies);
- ongoing relations with the Public Administration (especially to obtain the authorisations, licences or concessions needed in order to carry out corporate activities);
- applications for public finance and grants (in particular, for the development of industrial research projects and/or new products or innovative processes);
- payment of grants and donations;
- management of environmental authorisations.

The following IRCA departments are directly involved in the performance of these sensitive processes:

- Administration;
- Treasury;
- Technical Office;
- Human Resources;
- Sales/Commercial departments.

3 Principles of conduct and control in the risk area of offences against the Public Administration

The general principles of conduct apply to all Recipients of this Model that, for whatever reason, maintain relations with the Public Administration on behalf of and in the interests of IRCA.

It is forbidden to initiate, collaborate with or cause conduct that, individually or collectively, results directly or indirectly in committing any of the offences considered above (arts. 24 and 25 of Decree 231/2001); it is also forbidden to violate the corporate principles and procedures established in this regard.

In order to avoid committing the offences against the Public Administration envisaged in Decree 231/2001, all Recipients of this Model must comply with the

following “Principles of conduct in relations with the P.A.”:

- comply strictly with all laws, regulations and procedures that govern relations and/or contacts with Public Bodies, Public Administrations and/or Public Officials and/or Providers of Public Services;
- act with the maximum transparency, propriety and impartiality in their relations with Public Bodies, Public Administrations and/or Public Officials and/or Providers of Public Services;
- ensure that all relations with the above bodies, occasional or otherwise, are conducted in a legal and proper manner, via checks carried out by the managers of each Area on the Collaborators who maintain relations with public bodies.

It is also forbidden:

- to use your position to obtain benefits or privileges for yourself or for others;
- to present false declarations or documents or omit necessary information in order to apply for and/or use grants, loans, assisted loans or other funds of the same type made available by the State, the Public Administration, other public bodies or the European Union or other international public bodies;
- to pay and/or propose and/or ask third parties to propose the payment and/or giving of money or other benefits to a Public Official or a Public Administration or other public officials of the European Union or other international public bodies;
- it is forbidden to offer, directly or indirectly, representatives of the Public Administration or their family members any form of gift, present or free services that might appear in any way connected with their business relations with IRCA, in order to influence the independence of their judgement or induce them to provide advantages of any kind to the Company. Even in countries where offering gifts or presents is a normal sign of courtesy, these gifts must be of a nature and value not disproportionate to the circumstances and not in violation of the law; they must never be interpreted as a request for return favours. In case of doubt, the Recipient who becomes aware of the alleged violation of this rule must promptly inform the Company which, in appropriate cases, will submit the report to the Supervisory Body. The offer of gifts must always be documented in a suitable manner, so that the SB can make checks. Political and charitable donations and payments must not exceed the legal limits and must be authorised in advance by the Board of Directors or the designated corporate functions;
- to pay and/or propose and/or ask third parties to propose the payment and/or giving of money or other benefits to a Public Official if IRCA is a party in court proceedings;
- to act fraudulently in order to induce error or inflict a loss on the State (or another Public Body or the European Union or an international public body) in order to obtain an unjust profit;

- to promise and/or pay amounts, promise and/or give goods in kind and/or other benefits and/or advantages in relations with the Representatives of political parties and/or lobby associations, in order to promote or facilitate the interests of IRCA, not even as a consequence of illegal pressure;
- to evade the above prohibitions by recourse to various forms of help and/or contributions, disguised as sponsorship, appointments, consultancy or advertising, that have the same objectives as those forbidden above;
- to remove, alter and/or manipulate data and information on IT or telematic systems in order to obtain an unjust profit and cause losses for third parties.

Recipients of the Model are also required to comply with and to apply all the provisions contained in the payment and invoicing management procedure adopted by IRCA, which forms an integral part of this Model.

Lastly, contracts with third parties (for example, Collaborators, Consultants, Partners etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of IRCA, in areas exposed to the risk of committing offences against the Public Administration, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain standard clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the offences against the Public Administration envisaged in the Decree);
- contain a specific declaration from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the offences against the Public Administration envisaged in the Decree) and their commitment to behave in compliance with those regulations;
- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the offences against the Public Administration envisaged in the Decree) (for example: express termination clauses, penalties).

4 Specific procedures in the risk area of offences against the Public Administration

With regard to activities involving the types of transaction at risk identified above, all IRCA Employees must comply with the following procedures:

- it must be possible to reconstruct how deeds are prepared, together with the related levels of authorisation, in order to guarantee the transparency of the decisions made;
- there must be segregation between those who make or implement decisions, those who record the accounting effects of the consequent operations and those required to audit them in accordance with the law and the procedures envisaged by the system of internal control;
- the documents relating to the business activities of IRCA must be filed and retained by the competent function, in a manner that does not allow their subsequent amendment unless duly evidenced;
- access to the above documents after filing must always be explained and is only allowed for parties authorised in accordance with the internal regulations, or their deputies, and for the Board of Statutory Auditors or equivalent body;
- external consultants must be selected with reference to their professionalism, independence and skill, and their selection must be explained in a suitable manner;
- the remuneration and commissions paid to Partners, Collaborators, Owners and Suppliers or public parties must be consistent with the services provided to the Company and/or with their appointments, as determined with reference to reasonableness criteria and market conditions or practices or established tariffs;
- the bonus systems for Employees and Collaborators must reflect realistic objectives, consistent with the duties and activities carried out for IRCA and the responsibilities assigned to them;
- when implementing decisions to use financial resources, IRCA must use financial and banking intermediaries that are subject to transparency and propriety rules compliant with EU regulations;
- the declarations made to Italian and EU public bodies in order to obtain concessions, authorisations or licences must be absolutely true in every respect;
- all court, tax and administrative inspections (e.g. those relating to Decree 81/2008 and subsequent amendments on workplace safety, Decree 152/2006 and subsequent amendments on the matter of the environment, tax audits, inspections by the INPS, the competent Labour Inspectorate, etc.) must be assisted by persons who have been specifically authorised for this purposed.

All Recipients of the Model (Consultants, Owners and Partners, to the extent required by their functions) must comply with and apply all the specific procedures envisaged in the documents adopted by IRCA, which are an integral part of this Model:

- traceability of cash flows, Law 136/2010 (Ref. 0.50.13);
- management of documented information (Ref. Q.DOC 910-920).

5 Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

SPECIAL PART

II

CORPORATE OFFENCES AND OFFENCES RELATING TO RECEIVING STOLEN GOODS, MONEY LAUNDERING AND THE USE OF ASSETS OR BENEFITS FROM ILLEGAL SOURCES, INCLUDING SELF-LAUNDERING

1 Types of corporate offence (art. 25-ter of Decree 231/2001) and offences relating to receiving stolen goods, money laundering and the use of assets or benefits from illegal sources, including self-laundering (art. 25-octies of Decree 231/2001)

This Special Part refers to corporate offences and offences relating to receiving stolen goods and laundering if committed in the exclusive interests of the Company by Directors, General Managers or liquidators or by persons under their supervision. The individual circumstances envisaged in art. 25-ter and art. 25-octies of Decree 231/2001 are discussed briefly below, making reference to the texts of the Decree, the Civil Code, the Criminal Code and the relevant Special Laws for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

• False corporate communications (art. 2621 civil code) and false corporate communications to the detriment of the company, owners or creditors (art. 2622 civil code).

This offence is committed if financial statements, reports or other corporate disclosures to the owners or the public required by law contain material facts that are untrue, even considering the need to make subjective judgements, about the economic and financial position of the company or the group to which it belongs, with the intention of misleading the owners or the public; or if they omit for the same purpose information about that situation whose disclosure is required by law.
This offence would be committed, for example, if one of the directors of IRCA included an untrue fact in the financial statements in order to significantly alter the reported economic situation of the Company, with a view to misleading the owners or the public and obtain an unjust profit for himself or for others.

Note that:

- the perpetrators may Directors, General Managers, Employees responsible for preparing the corporate accounting documentation, Statutory Auditors and liquidators (direct offenders), as well as those who, pursuant to art. 110 criminal code, aid and abet the offences committed by the above persons;
- the purpose of the conduct must be to obtain an unjust profit for the perpetrator or for others;

- the conduct must be capable of inducing the recipients of the disclosures to make a mistake;
- the perpetrators are still responsible, even if the disclosures relate to assets held or administered by the Company on behalf of third parties;
- the offence pursuant to in art. 2622 civil code is punishable if challenged, unless listed companies are involved.

The offence pursuant to art. 2621 civil code is subject to a pecuniary penalty of between two hundred and three hundred quotas, while the offence pursuant to art. 2622 civil code is subject to a pecuniary penalty of between three hundred and six hundred and sixty quotas.

• False reports or communications by the auditing firm (art. 2624 civil code)

This offence is committed by auditors that issue false certificates or hide information about the economic and financial position of the company, in order to obtain an unjust profit for themselves or for others.
This offence would be committed in the form of aiding and abetting if, for example, the General Manager used all available means to convince one or more members of the auditing firm engaged to certify the financial statements to hide significant information about the actual economic situation of the Company in order to obtain an unjust profit.

The perpetrators are the partners of the auditing firm (direct offenders), but the members of the Administrative and Control Bodies of the Company and its Employees may be involved by aiding and abetting the offence. In fact, the Directors, Statutory Auditors or other persons associated with the audited company may be responsible for aiding and abetting pursuant to art. 110 criminal code if they caused or instigated the illegal conduct of the audit partner.
The pecuniary penalty envisaged in that case would be between two hundred and eight hundred quotas.

• Impeded control (art. 2625 civil code)

This offence is committed by impeding or hindering, by hiding documents or similar stratagems, the checks or audit work legally assigned to the owners, other corporate bodies or the auditing firm.
This offence would be committed, for example, if by hiding important documentation the General Manager of IRCA did not respond in a precise and proper manner to requests for information from the Board of Statutory Auditors about the situation of the Company (for example, about the existence of losses, claims for compensation from third parties, delays in the progress of contract work, the application of contractual penalties), if this conduct is detrimental to the owners.

The pecuniary penalty envisaged in that case would be between two hundred and three hundred and sixty quotas.

• Improper return of contributions (art. 2626 civil code)

Aside from legitimate capital reductions, "typical conduct" would include the return, possibly falsified, of contributions from owners or the release of owners from the obligation to make them.

This offence would be committed, for example, ignoring the cases allowed by law, if the Directors of the Company decided to release certain owners from their obligation to pay in the capital subscribed for by them.

The pecuniary penalty envisaged in that case would be between two hundred and three hundred and sixty quotas.

• Illegal distribution of profits and reserves (art. 2627 civil code)

This offence is committed by distributing profits or advances against profits not yet earned or that are allocated by law to reserves, or by distributing reserves, whether or not comprising profits, that cannot by law be distributed.

Without prejudice to legal distributions, this offence would be committed, for example, if the owners of IRCA decided to allocate amounts to themselves that, by law, must be retained as reserves.

In this case, the offence is cancelled by returning the profits or reconstructing the reserves prior to the deadline for approving the financial statements.

The pecuniary penalty envisaged in that case would be between two hundred and two hundred and sixty quotas.

• Operations detrimental to creditors (art. 2629 civil code)

This offence is committed by in violation of the laws protecting creditors, by making capital reductions or arranging mergers with other companies or spin-offs that are detrimental to the creditors.

This offence would be committed, for example, if the Directors authorised a capital reduction to the detriment of the creditors, without any good economic and/or legal reason.

This offence is cancelled if the loss incurred by the creditors is reimbursed prior to the related court ruling.

The pecuniary penalty envisaged in that case would be between three hundred and six hundred and sixty quotas.

• Fictitious formation of capital (art. 2632 civil code)

This offence is committed, for example, when the capital of the company is first contributed or increased fictitiously, by allotting shares in exchange for an amount that is less than their nominal value; when reciprocal subscriptions for shares or quotas are made; when assets contributed in kind are overvalued significantly, and

when the receivables or net assets of the company are overvalued at the time of a transformation. The perpetrators in this case are the Directors and the contributing owners.
The pecuniary penalty envisaged in that case would be between two hundred and three hundred and sixty quotas.

• Improper distribution of company assets by liquidators (art. 2633 civil code)

This offence is committed when the liquidators damage the interests of the creditors, by distributing assets to the owners before paying the creditors or reserving the amounts needed to satisfy them.
This offence would be committed, for example, if the liquidators decided to allocate amounts paid in for future capital increases to the owners of IRCA.
This offence is cancelled if the loss incurred by the creditors is reimbursed prior to the related court ruling.
The pecuniary penalty envisaged in that case would be between three hundred and six hundred and sixty quotas.

• Corruption between private persons (art. 2635 civil code)

This offence is committed when, in exchange for money, or the promise of money or other benefits for themselves or for others, the Directors, General Managers, Executives responsible for preparing corporate accounting documents, Statutory Auditors and liquidators perform or fail to perform deeds to the detriment of the Company, in violation of the obligations inherent in their positions and the obligation to be loyal.
This offence would be committed, for example, if the directors of IRCA recorded untrue amounts in the financial statements in order to reduce the tax charge and increase the profits available to the owners.
The pecuniary penalty envisaged in that case would be between two hundred and four hundred quotas.

• Illegal influence over the shareholders' meeting (art. 2636 civil code)

"Typical conduct" would involve obtaining a majority at the shareholders' meeting by fraudulent means in order to obtain an unjust profit, either directly or for others.
This offence would be committed, for example, if an owner of IRCA attended the shareholders' meeting with false proxies, thereby obtaining the majority of the voting rights.
The pecuniary penalty envisaged in that case would be between three hundred and six hundred and sixty quotas.

• Impeding the activities of public supervisory authorities (art. 2638 civil code)

This offence is committed if, with the intention of hindering their activities, the disclosures to the supervisory authorities required by law contain material facts that are untrue, even considering the need to make subjective judgements, about the economic and financial position of the parties subject to supervision, or hide in whole or in part, using other fraudulent means, facts that should be disclosed about the above position.

Note that:

- the perpetrators are the Directors, General Managers, Executives responsible for preparing the corporate accounting documents, Statutory Auditors and the liquidators of companies or entities and the other parties subjected by law to supervision by the public authorities, or with legal obligations towards them;
- the perpetrators are still responsible, even if the disclosures relate to assets held or administered by the Company on behalf of third parties.

The pecuniary penalty envisaged in that case would be between four hundred and eight hundred quotas.

• Receiving stolen goods (art. 648 criminal code)

This offence is committed if, to obtain a profit directly or for others, a party acquires, receives or hides money or objects deriving from any offence or, in any case, participates in causing them to be acquired, received or hidden.

• Money laundering (art. 648-bis criminal code)

This offence is committed if a party exchanges or transfers money, goods or other assets deriving from an intentional crime, or carries out other operations in their regard in order to impede identification of their criminal source.

• Use of money, assets or benefits deriving from illegal sources (art. 648-ter criminal code)

This is a residual offence, excluding cases of aiding and abetting and those envisaged in arts. 648 and 648 bis, that punishes anyone using money, assets or benefits deriving from crimes in economic or financial activities.

• Self-recycling (art. 648-ter1 criminal code)

This article punishes anyone that, having committed or contributed to committing an intentional offence, uses, exchanges or transfers the money, goods or other assets deriving from that crime in the context of economic, financial, entrepreneurial or speculative activities, in order to effectively impede identification of their criminal source.

For offences envisaged in arts. 648, 648-bis, 648-ter and 648-ter.1 criminal code, the organisation is subject to a pecuniary penalty of between 200 and 800 quotas. If the money, assets or other benefits derive from offences for which the maximum penalty is imprisonment for more than five years, the pecuniary penalty is between 400 and 1000 quotas.

2 Sensitive processes in the context of corporate offences and offences relating to receiving stolen goods, money laundering and the use of assets or benefits from illegal sources, including self-laundering

In view of the activities carried out by IRCA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that could involve the commitment of offences governed by art. 25-ter of the Decree:

- preparation of the financial statements and communications to owners and/or third parties about the economic and financial position of IRCA;
- capital transactions (increases, reductions) and equity transactions (reserves, profits/losses);
- management of repayable loans from owners;
- management of relations with supervisory bodies (auditing firm, Board of Statutory Auditors etc.) and decisions at shareholders' meetings;
- management of sales and purchase invoicing.

The following IRCA offices are directly involved in the performance of these sensitive processes:

- Administration;
- Treasury.

3 Principles of conduct and control in the risk area of corporate offences and offences relating to receiving stolen goods, money laundering and the use of assets or benefits from illegal sources, including self-laundering

In general when carrying out all business management activities, the corporate bodies of IRCA (and its Employees, Consultants, Owners and Partners, to the extent necessary in order to perform their functions) must be aware of and comply with:

- the system of internal control and therefore the procedures of the Company, the documentation and instructions relating to the hierarchical-functional and organisational structure, and the system of management control;
- the internal rules governing the administration, accounting and financial system;
- the system of communications to personnel and their training;

- the disciplinary system;
- in general, the applicable Italian and foreign regulations;
- the rules contained in the General Part of this Model;
- the rules and procedures for the individual Sensitive Processes, as described below in this Special Part.

All Recipients of this Model are forbidden to:

- initiate, collaborate with or cause conduct that, individually or collectively, results directly or indirectly in commitment of any of the offences identified in art. 25-ter of Decree 231/2001;
- initiate, collaborate with or cause conduct that, despite not representing the commitment of any of the offences considered above, could become an offence;
- initiate or cause violations of corporate principles and procedures.

In the above context, it is also strictly necessary to:

- behave in a transparent and collaborative manner, ensuring compliance with laws and internal procedures, when preparing annual financial statements and other corporate communications, in order to provide true and accurate information to the owners and third parties about the economic and financial position of the Company;
- behave in a transparent and proper manner, ensuring full compliance with laws, regulations and internal procedures, when obtaining, processing and communicating the data and information needed for an informed opinion on the economic and financial position of IRCA and the development of its business activities;
- comply rigorously with all legal requirements that protect the amount and existence of the share capital of the Company, in order to safeguard the guarantees provided to the creditors and third parties in general;
- refrain from entering into false or fraudulent transactions and from spreading false or inaccurate information that might significantly distort the economic and financial results reported by IRCA;
- make all the communications required by law and the regulations to the Public Authorities and the supervisory and control bodies in a timely and proper manner, and in good faith, without hindering in any way the performance of their supervisory functions.

When preparing the financial statements and other corporate communications – in order to provide true and accurate information to the owners and third parties about the economic and financial position of IRCA – it is therefore forbidden to:

- present or transmit for processing and presentation in financial statements, reports or other corporate communications data that is false or incomplete or, in any case, that does not correspond to reality, regarding the economic and financial position of the Company;

- omit any data and information required by law about the economic and financial position of IRCA;
- behave in a manner that significantly impedes, by hiding documents or using other fraudulent means, or otherwise hinders the control activities of the Board of Statutory Auditors;
- omit to make all the periodic reports required by law and the regulations applicable to IRCA in the necessary complete, accurate and timely manner;
- include untrue facts in the above communications and transmissions, or hide significant facts about the economic and financial position of the Company;
- do anything that hinders the work of the Control and Supervisory functions, including inspections by the Public Authorities (Tax Police, Employment Inspectors etc.), such as: express objections, invent pretexts for refusal, hinder work or fail to cooperate, including by delaying communications and the provision of documents or by arriving late at meetings arranged in good time.

In order to avoid the above conduct, communications and/or documents (e.g. financial statements) must be prepared in accordance with specific corporate procedures that:

- determine in a clear and complete manner the data and information that each function must provide, the accounting criteria for the processing of that data and information (for example: the measurement criteria applied when estimating the realisable value of receivables, the provisions for risks and charges, dividends, the provisions for taxation, deferred tax assets and the recognition of revenues) and the timetable for their delivery to the responsible functions;
- require the transmission of data and information to the responsible functions using a system (electronic or otherwise) that ensures the traceability of each step and identifies the persons who input data into the system;
- use forecast information agreed with the functions involved and approved by the corporate bodies;
- check the procedures for the external communication of collegiate decisions and, in general, all the information disseminated via the press, interviews etc., as well as the procedures for filing the correspondence between IRCA and the various external bodies.

When protecting the amount and existence of the share capital of the Company, in order to safeguard the guarantees provided to the creditors and third parties in general, it is forbidden to:

- return contributions to the owners or release them from the obligation to make them, except in the situations allowed by law;
- distribute profits not actually earned or those that, by law, must be allocated to reserves;
- make capital reductions, mergers or spin-offs in violation of the laws that protect the creditors;

- carry out transactions involving the share capital of IRCA, form companies, acquire and sell equity investments, carry out mergers and spin-offs without following the specific corporate procedures.

With regard to the routine operations of the Company, guaranteeing and facilitating all internal controls over operations envisaged by law, as well as the process of free and proper decision making at the shareholders' meeting, it is forbidden to:

- behave in a manner that significantly impedes, by hiding documents or using other fraudulent means, or otherwise hinders the control and audit activities of the Board of Statutory Auditors, in violation of the directives that require maximum collaboration and transparency in relations with the Board of Statutory Auditors;
- determine or influence decisions adopted at the shareholders' meeting by preparing false or fraudulent documentation designed to alter the normal process of decision making at the shareholders' meeting.

The following controls have been established to prevent the above conduct:

- meetings (one or more) between the Supervisory Body and the Board of Statutory Auditors for the exchange of information about the control system and the assessment of any issues that emerged during the audit work;
- provision to the Board of Statutory Auditors, in good time, of all documents relating to items on the agenda for shareholders' or board meetings, or on which it must express an opinion required by law;
- obligation for the relevant authorised offices to report to the top decision-making bodies of IRCA on the status of their relations with the auditing firm;
- general obligation to guarantee and facilitate all forms of internal control over corporate operations.

Recipients of the Model are also required to comply with and apply all the principles of conduct contained in the Code of Ethics and the regulations in force from time to time. Lastly, contracts with third parties (for example, Collaborators, Consultants, Partners etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of IRCA, in areas exposed to the risk of committing corporate offences, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain standard clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the corporate offences envisaged in the Decree);
- contain a specific declaration from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the corporate offences

envisaged in the Decree) and their commitment to behave in compliance with those regulations;
- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the corporate offences envisaged in the Decree) (for example: express termination clauses, penalties).

4 Specific procedures in the risk area of corporate offences and offences relating to receiving stolen goods, money laundering and the use of assets or benefits from illegal sources, including self-laundering

With regard to activities involving the types of transaction at risk identified above, all IRCA Employees must comply with the following procedures:
- all transactions must be tracked via adequate documentary support held in the corporate files;
- all revenue and expenditure cycles must be managed by distributing the related responsibilities among the various structures involved in the processes;
- all internal audit checks must be based on objective criteria that, as far as possible, are documented and traceable in the corporate files (hard copy or electronic);
- all news and information processed as part of working activities must be kept confidential;
- the accounting policies adopted for the preparation of the financial statements and the procedures followed for recording the related accounting entries must comply with current standards and regulations.

All Employees of IRCA (and Consultants, Owners and Partners, to the extent required by their functions) must comply with and apply all the specific procedures envisaged in the regulations adopted from time to time by IRCA.

5 Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model. In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies. In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

SPECIAL PART

III

CRIMES COMMITTED IN VIOLATION OF THE REGULATIONS ON THE HEALTH AND SAFETY OF WORKERS

1 Types of offence committed in violation of the accident prevention and health and safety at work regulations (art. 25-septies of Decree 231/2001)

This Special Part relates to the crimes of manslaughter and serious and very serious injury identified in arts. 589 and 590, third para., criminal code, committed in violation of the accident prevention and health and safety at work regulations referred to in art. 25-septies of Decree 231/2001, if committed in the exclusive interests of the Company by Directors, General Managers or liquidators or persons subject to their supervision, if the fact would not have happened had they supervised in compliance with the obligations inherent in their roles.

The crimes referred to in the above article are discussed briefly below, making reference to the texts of the decree and the criminal code for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

• Manslaughter (art. 589 criminal code)

Pursuant to art. 589 criminal code whoever by fault causes the death of a man is liable for this offence.

This offence would be committed for example if, due to failure to comply with the safety regulations, a fire in the workplace resulted in the death of one or more persons.

The existence of manslaughter depends on three elements: conduct, an event (death of a person) and a causal link between the two. Subjectively, the death is manslaughter when the culprit did not intend to kill the victim or cause the event resulting in death, but both occurred because the culprit was negligent, careless or failed to comply with the relevant laws.

The pecuniary penalty envisaged in that case would range from two hundred and fifty to one thousand quotas.

• Personal injury through negligence (art. 590 criminal code)

Art. 590, third para., criminal code punishes conduct resulting in serious or very serious personal injury in violation of the regulations governing the prevention of accidents at work.

This offence would be committed for example if an employee of IRCA, driving a forklift without adequate training and/or that was faulty due to lack of maintenance, hit a colleague and caused injuries.

Personal injury is serious if the deed causes an illness that puts the life of the affected

person in danger, or an illness or inability to attend to normal activities for a period in excess of forty days - if the deed permanently impairs one sense or one organ.
Personal injury is defined as very serious if the deed causes:

- an illness that is certainly or probably incurable;
- the loss of one sense;
- the loss of one limb or mutilation that renders the limb unusable, or the loss of use of one organ, or the inability to procreate, or a permanent and serious speech impediment;
- the deformation or permanent scarring of the face.

The pecuniary penalty envisaged in that case would be as much as two hundred and fifty quotas.

2 Sensitive processes in relation to compliance with the accident prevention and health and safety at work regulations

IRCA has identified the following Sensitive Activities:

- in general, compliance or duties connected with the obligations established in the current regulations protecting the health and safety of workers in the workplace, with particular reference to those envisaged in Decree 81 dated 9 April 2008 and subsequent amendments and additions
- in particular, the maintenance of plant and machinery.

Having regard for the specific activities carried out by IRCA, it is therefore deemed necessary to monitor the following sensitive areas:

- formalisation of function mandates in relation to safety in the workplace;
- appointment of the manager of the prevention and protection office (RSPP), the Company doctor and the workers' safety representative;
- appointment of executives and managers responsible for safety;
- assessment of risks and preparation of the related document;
- identification and processing of procedures covering safety, fire prevention, first aid and periodic checks;
- provision of information and training to workers on safety risks and the preventive measures adopted;
- scheduling of periodic meetings;
- management of the expense budget for safety matters;
- planning of measures for improving the activities of the prevention and protection office;
- management of factory personnel;
- selection and management of relations with suppliers;
- Management of relations with parties appointed to prepare the risk assessment document for external firms.

The following IRCA resources are directly involved in the performance of these sensitive processes:

- Safety/Environment Protection Officer;
- RSPP.

3 Documents adopted by the Model

With regard to the Vittorio Veneto and Conegliano factories, and in full compliance with the provisions of sector regulations and, in particular, Decree 81/08, IRCA has adopted an Occupational Safety Management System prepared in accordance with current best practices and fully compliant with the requirements of the UNI INAIL Guidelines.

This Occupational Safety Management System covers the organisational structure, planning, responsibilities, practices, procedures and resources need to prepare, implement, achieve, review and actively maintain the policy on the environment and occupational safety.

IRCA has supplemented the OSMS with the Environment and Energy Management System, adopting a Combined Safety - Environment - Energy Management System (Ref. E.SYSTEM 001), compliance with which ensures that work is organised properly, without ambiguity, in each department and covers all possible problems that might arise during the various phases of the production cycle.

4 Principles of conduct and control in the risk area of offences committed in violation of the occupational health and safety regulations

This Special Part expressly forbids the corporate bodies of IRCA (and its Employees, Consultants, Owners and Partners, to the extent necessary in order to perform their functions) to do anything that is contrary to the following Principles of conduct for safety in the workplace.

All Recipients of this Model are forbidden to:

- initiate, collaborate with or cause conduct that, individually or collectively, results directly or indirectly in the commitment of any of the offences considered above (art. 25-septies of Decree 231/2001);
- initiate or cause violations of corporate principles and procedures.

All Recipients of this Model must comply with the following rules of conduct:

- comply with the technical-structural standards required by law for equipment, plant, workplaces and chemical, physical and biological agents;

- assess the risks and prepare the related prevention and protection measures;
- carry out organisational activities, including the management of emergencies, first aid, the management of supply contracts and other contractual relations between IRCA and third-party firms (contractors, sub-contractors, storage depots etc.), periodic safety meetings, consultations with workers' safety representatives;
- carry out health monitoring activities;
- provide information and training to workers;
- monitor compliance by workers with the procedures and instructions on safety at work;
- obtain the documents and certificates required by law;
- carry out periodic checks on the application and effectiveness of the procedures adopted;
- comply – following adoption – with the Occupational Safety Management System (OCMS) of IRCA;
- check constantly on compliance with internal procedures and the various levels of authorisation and control envisaged;
- define and check the organisational and operational duties of top management, executives, managers and workers in relation to safety matters;
- check constantly the documentation confirming performance of the duties of the RSPP (manager of the prevention and protection office) and any employees assigned to the office, as well as the workers' safety representative, the emergency teams and the Company doctor;
- check the documentation, including any produced by external consultants, in support of applications for any kind of authorisation, licence, concession etc. and, in particular:
  1. the documentation for obtaining fire prevention certificates and/or to meet the requirement of the supervisory bodies regarding fire and other risks;
  2. the documentation for authorisations needed for purposes linked to compliance with sector regulations;
  3. the documentation related to workplace safety, including compliance with the sanitary, accident prevention and occupational health and safety regulations;
- check, for direct employees of IRCA, compliance with the employment laws and trade union agreements on hiring and on employment relationships in general;
- check compliance with the rules of proper conduct in the workplace;
- check constantly the reports of factory managers on their relations with the workers;
- require the Partners and suppliers of IRCA to comply with the legal obligations governing child and female labour, hygiene-sanitary and safety conditions, trade union rights or, in any case, the rights of association and representation, as envisaged in the current regulations;
- select carefully, with reference to the related internal procedures, the suppliers

of specific services (contractors, bailees etc.) and, in particular, those with a high incidence of unskilled workers, whether they be Partners or Suppliers.

Furthermore:

- each employee of IRCA is required to comply with the accident prevention regulations and to use in a precise and diligent manner the personal protection equipment and other means of prevention made available by the Company and supplied to them (gloves, safety shoes, high-visibility clothing etc.);
- workers must, if required by their duties, use the changing rooms made available by the Company in order to change their clothes at the start and end of their working day; in this regard, these workers are required to change and wear the work clothes provided by IRCA;
- when clocking on, workers must have already put on their work clothes and be ready to start work; at the end of the day, they must clock off before entering the changing rooms;
- all workers must look after their personal hygiene and keep their workstation tidy;
- smoking is forbidden anywhere inside the factory; smoking is only allowed outside, or in designated and marked areas or rooms;
- workers are invited to behave in a manner compatible with their roles (messing around, tricks etc. are not permitted) and, specifically, they must keep in good condition the materials made available to them by the Company, respect the environment and respect their colleagues;
- it is forbidden to bring alcohol (including beer) onto Company premises and to consume it; it is also forbidden to start work drunk and/or in an altered state of consciousness;
- it is forbidden to bring drugs or psychoactive drugs onto Company premises and to take them; it is also forbidden to start work in an altered state of consciousness as a result of taking drugs;
- it is forbidden to walk outside the marked walkways;
- it is forbidden to allow external personnel to enter Company premises;
- it is forbidden for workers to carry out on their own initiative any operations or manoeuvres for which they are not responsible and that, therefore, may compromise in any way their safety or that of other workers and/or damage the equipment;
- workers must comply with the safety signs and prohibitions displayed in the workplace;
- workers must not loiter in places where they do not work or provide their services; in addition, they must not directly request - without prior authorisation from IRCA management - the personnel of external firms to help or collaborate with them, or give them orders regarding their work;

Recipients of the Model are also required to comply with and apply all the principles of conduct contained in the Combined Safety - Environment - Energy Management

System Manual (Ref. E.SYSTEM 001) adopted by IRCA, which forms an integral part of this Model.

Lastly, contracts with third parties (for example, Collaborators, Consultants, Partners etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of IRCA, in areas exposed to the risk of committing offences in violation of the regulations governing the health and safety of workers, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain standard clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the crimes in violation of the regulations governing the health and safety of workers envisaged in the Decree);
- contain a specific declaration from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the crimes in violation of the regulations governing the health and safety of workers envisaged in the Decree) and agreeing to behave in compliance with those regulations;
- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the crimes in violation of the regulations governing the health and safety of workers envisaged in the Decree) (for example: express termination clauses, penalties).

5 Specific procedures in the risk area of offences committed in violation of the occupational health and safety regulations

5.1 Identification of managers and their powers

In order to identify managers and the powers attributed to them, IRCA has established a series of mandates that distribute on a hierarchical basis within the Company the responsibilities and duties relating to safety, accident prevention and environmental hygiene.

IRCA has therefore adopted a safety organisation chart which is shown in Annex I of this Model.

This system is designed to facilitate, on the one hand, the detailed supervision of all areas and, on the other, a hierarchical control mechanism at the operational level and with regard to allocation of the resources needed to ensure the availability of all the tools that are necessary and appropriate for safety purposes.

Each in their specific area, the managers identified must exercise all the powers assigned to them and meet all the obligations envisaged by Decree no. 81 dated 9 April 2008, as well as by all the other laws and regulations governing safety, accident prevention and environmental hygiene.

The following IRCA management roles are responsible for safety in the workplace:

- **employer in charge of safety:** performs management and coordination functions, with a focus on the strategic management of the Company, assisted by the various internal functions; pursuant to art. 17 of Decree 81/08, the employer in charge of safety performs an assessment of workplace risks and appoints the manager of the prevention and protection office (RSPP);
- **functional delegate for safety:** carries out the functions envisaged in art. 16 of Decree 81/08; participates in meetings of the Prevention and Protection Office with the necessary organisational autonomy, authority and responsibility to ensure that the processes necessary for the safety management system are defined, implemented and updated / to identify problems that affect safety at the Company / to report the problems to top management / to check the implementation and effectiveness of the corrective actions taken / to highlight amendments and additions to the Combined Safety - Environment - Energy Management System Manual and the related procedures / to ensure promotion of the workplace safety requirements throughout the organisation;
- **manager of the Combined Safety - Environment - Energy Management System:** works with top management and the RSPP to establish objectives and structure Company policy; prepares the Combined Safety - Environment - Energy Management System Manual and the procedures and instructions for the OSMS; assesses any related non-conformities; ensures and checks that the system is applied and kept active; defines the related objectives; participates in the review of the OSMS; identifies any personnel training needs; promotes employee awareness of the OSMS procedures and provides training; identifies, examines and interprets the legal requirements for occupational safety; carries out an annual compliance check; identifies occupational safety and environmental emergencies; ensures compliance with the planned operational controls; manages the legally-required documentation for waste products and waste disposal;
- **manager of the Prevention and Protection Office (RSPP):** person with the abilities and professional qualifications specified in art. 32 of Decree 81/08;
- **company doctor:** physician holding one of the certificates and training and professional requirements specified in art. 38 of Decree 81/08;
- **workers' safety representative (RLS):** person selected or designated to represent the workers on occupational health and safety matters;
- **fire and first-aid emergency team members:** persons trained appropriately pursuant to Decree 81/08 and MD 10.3.98, responsible for managing First-aid emergencies and Fire emergencies in compliance with the Emergency Plan established by the Company;

- **executives:** persons who, based on their professional skills and exercising the hierarchical and functional powers appropriate for their assigned responsibilities, implement the directives of the employer by organising and monitoring the related work;
- **managers in charge:** persons who supervise and monitor compliance by individual workers with their legal obligations and Company instructions on health and safety in the workplace and on use of collective and personal protection equipment; ensure that only workers with suitable training have access to areas that expose them to a serious and specific risk; require compliance with the measures to control risk situations in the event of emergencies; inform workers exposed to a grave and imminent risk as soon as possible about that risk and the instructions implemented or to be implemented for their protection; refrain, except in exceptional cases, from asking workers to return to work if the grave and imminent risk persists; reports deficiencies in the work equipment and tools and protection devices to the employer or the executive, together with all other hazards;

The Supervisory Body is constantly updated by the responsible persons identified from time to time about changes in the system of mandates, as decided by the Administrative Body together with the operating units concerned.

5.2 Constant identification of hazards, their assessment and implementation of the necessary control measures

Without prejudice to the above, in order to identify and assess hazards and environmental matters on an ongoing basis and implement the necessary control measures, IRCA has adopted the following specific procedures as part of the Occupational Safety Management System. These procedures are an integral part of this Model and the Employees of IRCA (and its Consultants, Owners and Partners, to the extent necessary in order to perform their functions) are required to comply with and apply:

- combined management system manual (Ref. E.SYSTEM 001);
- management of documentation and records (Ref. E.DOC 901);
- management review (Ref. E.INFSYS 801);
- management of objectives and improvement plans (Ref. E.INFSYS 802);
- management of internal and external communications (Ref. E.INFSYS 803);
- management of safety, environment and energy reporting (Ref. E.INFSYS 804);
- audit of the safety, environment and energy management system (Ref. E.INFSYS 805);
- management of emergencies (Ref. E.INFSYS 806);
- management of plant, machinery, equipment and assets (Ref. E.METHOD 301);
- identification and access to legal and other instructions (E.METHOD 303);
- management of security (Ref. E.METHOD 304);

- management of non-conformities, corrective and preventive actions (Ref. E.METHOD 305);
- identification and assessment of health and safety risks (Ref. E.METHOD 307);
- Management of accidents, incidents and occupational illnesses (Ref. E.METHOD 308);
- management of health safety (Ref. E.METHOD 309);
- occupational safety policy (E.POLICY 000);
- no smoking policy (Ref. E.POLICY 002);
- management of external firms and access to the Company (Ref. E.PURCH 602);
- entry of vehicles and prevention of illegal acts (Ref. IE.11.004);
- management of chemical substances/compounds (Ref. PE.005.001);
- emergency plan;
- management of personal protective equipment (Ref. PE.10.001);
- management of safety signage (Ref. PE.10.002);
- management of incidents and emergencies (Ref. PE.07.002);
- checks and supervision (Ref. PE.07.004);
- hot processes (Ref. PE.07.017);
- maintenance of general plants (Ref. PE.09.001)

5.3 Definition, documentation and communication of the roles, responsibilities and powers of those who manage activities likely to have an impact on health and safety risks

IRCA has adopted a specific organisation chart of executives and responsible managers for each corporate office, in order to define, document and communicate the roles, responsibilities and powers of those who manage, execute and check activities that have an influence on health and safety risks.

This organisation chart is detailed in Annex I.

Their duties and responsibilities are described in the Combined Safety - Environment - Energy Management Manual and the other corporate documents listed.

5.4 Definition of the skills required by those who must perform tasks likely to have an impact on safety

The persons whose duties may have safety consequences must also have the necessary skills: these are accumulated as a result of education, training and/or appropriate practical experience. In order to ensure the availability of these skills, IRCA has prepared the information, education and training plan envisaged in Decree 81/08 for Company personnel (workers, managers, executives).

This plan is described in the Combined Safety - Environment - Energy Management Manual and involves the following types of action:

- **informing** employee workers and/or their company and/or factory representatives about:
  - o the general health and safety risks that arise in the Company and/or the factory, as well as the specific risks associated with each type of workstation and/or function;
  - o the general prevention and protection measures taken in relation to the Company and/or the factory, as well as the specific measures taken for each type of workstation and, in particular, the measures adopted in relation to first aid, fire prevention and the evacuation of workers;
- **training** workers on the subject of health and safety, with appropriate information and instructions regarding, in particular, their workstations or functions, at least:
  - o when hired;
  - o when transferred or on change of function;
  - o on the introduction or change of work equipment;
  - o when new technologies are introduced.

5.5 Dissemination of information about health and safety to employees and other interested parties

In order to ensure that the information about occupational health and safety is disseminated, IRCA will organise periodic training for employees and responsible managers regarding their rights and duties in this area, making specific reference to the safety regulations. IRCA will also implement programmes that establish how the RSPP (manager of the prevention and protection office) will carry out periodic inspections in the various areas of the Company. The Company will organise periodic meetings with the managers responsible for checking on occupational health and safety. The primary purpose of these meetings will be to constantly improve the level of protection and prevention within the Company.

6 Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model. In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies. In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

SPECIAL PART

IV

OFFENCES COMMITTED IN VIOLATION OF THE REGULATIONS GOVERNING THE SECURITY OF IT SYSTEMS AND THE IMPROPER PROCESSING OF PERSONAL DATA

1 Types of crime committed in violation of the regulations governing the security of IT systems and the improper processing of personal data (art. 24-bis of Decree 231/2001)

• Unauthorised access to an IT and/or electronic data communications system (art. 615-ter criminal code)

This crime is committed by anyone who obtains unauthorised access to an IT or electronic data communications (telematic) system protected by security measures or who maintains such access against the express or implied wishes of those entitled to exclude them.

This crime would be committed for example if an employee of IRCA used Company computers to gain unauthorised access to the IT system of another party or company, like a lending bank for example, in order to damage it and obtain a direct or indirect benefit for the Company.

The pecuniary penalty envisaged in that case would range from one hundred to five thousand quotas.

• Interception, prevention or illegal interruption of IT or telematic communications (617-quater criminal code)

This crime is committed by anyone who fraudulently intercepts communications relating to an IT or telematic system or between several systems, or prevents or interrupts them.

This crime would be committed for example if, while at work, an employee of IRCA illegally and fraudulently interrupted an IT communication in order to obtain a benefit for the Company.

The pecuniary penalty envisaged in that case would range from one hundred to five thousand quotas.

• Installation of equipment for intercepting, preventing or interrupting IT or telematic communications (art. 617-quinquies criminal code)

Except as allowed by the law, this crime is committed by anyone who installs equipment for intercepting, preventing or interrupting communications relating to an IT or telematic system or between several systems.

This crime would be committed for example if an employee of IRCA fraudulently

installed equipment capable of intercepting the IT communications of a body responsible for supervising IRCA, in order to obtain important information for the Company.
The pecuniary penalty envisaged in that case would range from one hundred to five thousand quotas.

• Causing damage to IT or telematic systems (art. 635-quater criminal code)

This offence is committed by anyone who destroys or damages the IT or telematic systems of other parties, including their programs, information and data, or makes them unusable in whole or in part.
This offence would be committed for example if an employee of IRCA damaged the management software of another party in order to obtain an advantage for the Company.
The pecuniary penalty envisaged in that case would range from one hundred to five hundred quotas.

• Causing damage to IT or telematic systems of public interest (art. 635-quinquies criminal code)

This crime is committed by anyone who behaves in the manner envisaged in art. 635-quater criminal code (causing damage to IT or telematic systems), when that conduct is intended to destroy or damage IT or telematic systems of public interest, or make them unusable, in whole or in part, or seriously impede their functioning.
This crime would be committed for example if an employee of IRCA damaged the IT system of a public body in an attempt to obtain lower tax and/or social security charges.
The pecuniary penalty envisaged in that case would range from one hundred to five thousand quotas.

• Holding and unauthorised distribution of access codes to IT or telematic systems (art. 615-quater criminal code)

This crime is committed by anyone who, in order to obtain a profit directly or for others, or to cause a loss for others, improperly obtains, copies, distributes, communicates or gives away codes, passwords or other suitable means of access to IT or telematic systems protected by security measures or, in any case, provides indications or instructions for the above purpose.
This crime would be committed for example if, without authorisation, a collaborator of IRCA obtained the access codes to the programming software of a public body in order to obtain a benefit of any kind for the Company.
The pecuniary penalty envisaged in that case would be as much as three hundred quotas.

• Distribution of equipment, devices or IT programs intended to damage or crash an IT system (art. 615-quinquies criminal code)

This offence is committed by anyone who distributes, communicates or supplies an IT program, written by himself or others, for the purpose or with the effect of damaging an IT or telematic system, or the data or programs contained in or relevant to it, or interrupts in whole or in part or alters its functioning.

This crime would be committed for example if an employee of IRCA gave an IT program to another company or a third party in order to damage it for the benefit of the Company.

The pecuniary penalty envisaged in that case would be as much as three hundred quotas.

2 Sensitive processes in relation to compliance with the regulations governing the security of IT systems

In view of the activities carried out by IRCA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that could involve the commitment of offences governed by art. 24-bis of the Decree:

- use of IT or telematic resources and information for the purpose of operating and managing the ordering and payment system;
- processing of personal data of Customers, Suppliers and Employees, pursuant to Decree no. 196 of 30.06.2003 (Code on the protection of personal data, containing provisions for the adaptation of national legislation to EU Regulation no. 2016/679 of the European Parliament and of the Council, of 27 April 2016, on the protection of natural persons with regard to the processing of personal data, as well as on the free movement of such data and repealing Directive 95/46/EC) and subsequent amendments;
- maintenance and control of VPN tunnels using firewall equipment;
- management of remote access to the corporate LAN (Local Area Network);
- management of customer access to the data contained on the corporate website;
- use of the Internet and the corporate e-mail address, authentication and management of access authorisations, management of file servers, management of application servers, management of client PCs;
- management, maintenance and protection of the machine room containing the physical servers;
- use by the Company of agile working (or 'smart working') as regulated by law no. 81/2017 (and subsequent amendments and additions).

The following IRCA offices are directly involved in the performance of these sensitive processes:

- Information Communication Technology;
- Human Resources.

3 Principles of conduct and control in the risk area of offences committed in violation of the regulations governing the security of IT systems and the improper processing of personal data

When managing the information systems of IRCA, Employees and all parties directly or indirectly involved in the processing of personal data to the extent necessary for their functions must, in general:

- comply rigorously with all legal requirements and internal corporate procedures regarding the security of the information systems of IRCA and the processing of any personal data;
- refrain from initiating, collaborating with or causing conduct that, individually or collectively, results directly or indirectly in commitment of any IT and illegal data processing crimes.

For this purpose, the IRCA documentation on the management of resources and IT systems consists of an IT REGULATION (Ref. IGP01.01.007) that governs access to the corporate IT network by employees, management of the network and related hardware and software of various types, and access to the Internet.

The Model makes reference to this IRCA document as a source of mandatory instructions that are an integral part of the Model.

In addition, IRCA – in order to comply with the requirements imposed by the Data Protection Authority in the measure dated 27 November 2008 ("Measures and precautions prescribed to the data controllers carried out with electronic instruments in relation to the attributions of the functions of system administrator"), as amended on 25 June 2009, regarding the traceability of system administrator access to the system and which must still be applied even following the changes introduced to the Privacy Code by Decree no. 101/2018 - has decided to implement an IT system in which all accesses by administrators (successful and failed logins, logouts) are recorded in log files. These records must be:

- complete, showing details of the system administrator, the time stamp and the activity carried out;
- unalterable, being stored in a way that allows any changes to be detected;
- retained, being stored and held for a reasonable period of not less than six months, and readily available for examination.

The IT records comply with the requirements of the measure in all the above respects. The activities of the system administrators are recorded in a manner consistent with the original (complete), transferred to a container where they are indexed and certified with the addition of a time stamp (unalterable), and then filed.

Without prejudice to the requirements of the above documents, which in all cases are an integral part of the Model, all recipients of this Model must, to the extent required by their functions:

- strive not to make public any information given to them regarding the use of IT resources and access to data and systems (including, in particular, the usernames

and passwords, even if no longer valid, needed to access the IT systems of IRCA);
- take all measures deemed necessary to protect the system, ensuring that third parties cannot gain access to the system if their workstations are unattended (logout or password required for access);
- access the IT system solely using the ID codes assigned to them personally and, when prompted periodically by the operating system, change their passwords;
- refrain from any conduct that might, in any way, jeopardise the confidentiality and/or completeness of corporate data;
- refrain from any action to bypass the protections implemented for the corporate IT system;
- refrain from installing any program, even if relevant to their business activities, without first contacting the system administrator;
- refrain from using alternative connections to those made available to employees by IRCA for the performance of their work.

4 Specific procedures in the risk area of offences committed in violation of the regulations governing the security of IT systems and the improper processing of personal data

With regard to activities involving the types of transaction at risk identified above, IRCA employees and all parties directly or indirectly involved in the processing of personal data, to the extent necessary for their functions, must comply with the following procedures:

- the contracts and letters of appointment of managers and the letters of appointment or assignment of persons in charge of operating and maintaining the IT system, as well as the duties and responsibilities of the latter, must be collected together by IRCA in order to establish a clear picture of the responsibilities and authorities assigned to Collaborators in relation to the processing of personal data;
- annually or more frequently, IRCA must update the definition of the data that persons are authorised to access and the processing that they are authorised to carry out, in order to check if the conditions that justify those authorisations continue to exist.

The same checks are carried out in relation to those who operate and maintain the electronic equipment.

If in doubt about the proper implementation of the ethical principles and conduct described above in the performance of their activities, the persons concerned must contact the system administrator and make a formal request to the Supervisory Body for an opinion.

In addition, in order to protect its IT systems and avoid, to the extent possible, involvement in activities that might result in committing one or more IT crimes or illegal data processing, IRCA strives to:

- ensure that IT systems can only be accessed following the appropriate identification of users with reference to the usernames and passwords originally assigned to them by the Company;
- establish procedures for changing the password upon initial access, advising against use of the same passwords on a cyclical basis;
- check constantly that the powers assigned to user profiles are consistent with their IRCA job descriptions, both when persons are assigned to different activities and when they leave the Company;
- monitor periodically all accesses and activities carried out using the corporate network;
- train all personnel adequately on the conduct required in order to guarantee the security of IT systems, and inform them about the possible criminal and other consequences that might derive from the commitment of a crime.

Lastly, contracts with third parties (for example, Collaborators, Consultants, Partners etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of IRCA, in areas exposed to the risk of committing IT crimes and illegal data processing, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain standard clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the IT crimes and illegal data processing envisaged in the Decree);
- contain a specific declaration from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the IT crimes and illegal data processing envisaged in the Decree) and their commitment to behave in compliance with those regulations;
- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the IT crimes and illegal data processing envisaged in the Decree) (for example: express termination clauses, penalties).

5 Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

SPECIAL PART

V

ENVIRONMENTAL OFFENCES

1 Types of environmental offence (art. 25-undecies of Decree 231/2001)

This Special Part relates to the environmental offences referred to in art. 25-undecies of Decree 231/2001, if committed in the interests of and/or for the benefit of the Company by directors, general managers or liquidators or persons subject to their supervision, if the fact would not have happened had they supervised in compliance with the obligations inherent in their roles.

The environmental offences that might theoretically be committed by persons within IRCA are discussed briefly below, making reference to the texts of the decree, the criminal code and the special laws for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

• Environmental pollution (art. 452-bis criminal code)

This offence is committed by illegally compromising or causing the significant deterioration of the waters or the air, or extended or significant portions of the soil or the sub-soil, or an eco-system, or biodiversity, including agrarian biodiversity, or the flora or fauna.

This offence would be committed for example if, when disposing of liquid discharges, IRCA caused the water table to become polluted.

The pecuniary penalty envisaged in that case would be between two hundred and fifty and six hundred quotas.

• Environmental disaster (art. 452-quater criminal code)

This offence is committed when illegal conduct results in an environmental disaster, being: irreversible alteration of the equilibrium of an ecosystem; or: alteration of the equilibrium of an ecosystem that is particularly onerous to correct and only by taking exceptional measures; or: endangerment of public safety due to the significance of the fact and the extent of the alteration or its harmful effects or due to the number of persons affected or expected to the hazard.

This offence would be committed for example if, by the prolonged discharge of waste into the atmosphere, IRCA exposed the nearby population to the risk of poisoning and/or other harmful health effects.

The pecuniary penalty envisaged in that case would be between four hundred and eight hundred quotas.

• Negligent offences against the environment (art. 452-quinquies)

This type of offence is committed if the above facts (arts. 452-bis and 452-quater) are committed due to negligence.

This offence would be committed for example if the water table and/or the surrounding atmosphere was not polluted deliberately, but merely by failure to comply with the technical regulations that would have prevented the pollution.

The pecuniary penalty envisaged in that case would be between two hundred and five hundred quotas.

• Discharge of waste water (art. 137 Decree 152/06);

This offence is committed when new industrial waste water discharges are made without authorisation, or when such discharges continue after the related authorisation has been suspended or revoked.

This offence would be committed for example if IRCA discharged waste water without a valid authorisation.

The pecuniary penalty envisaged in that case would be between one hundred and fifty and three hundred quotas.

• Unauthorised management of waste (art. 256 Decree 152/06);

This offence is committed of waste is collected, transported, recycled, disposed of, sold or brokered without the required authorisations, registrations or communications.

This offence would be committed for example if IRCA collected waste (its own and/or that of other firms) without a valid authorisation.

The pecuniary penalty envisaged in that case would be between one hundred and fifty and three hundred quotas.

• Clean-up of sites (art. 257 Decree 152/06);

This offence is committed if work results in the pollution of the soil, sub-soil, surface waters or underground waters, when concentrations exceed the risk threshold.

This offence would be committed for example if IRCA polluted the sub-soil due to improper management of its drainage system.

The pecuniary penalty envisaged in that case would be between one hundred and fifty and two hundred and fifty quotas.

• Violation of the obligations to notify, or keep mandatory registers and formula lists (art. 258 Decree 152/06);

This offence is committed when, despite the requirement, an organisation does not comply with the system for controlling the traceability of waste (SISTRI) envisaged in the sector regulations.

This offence would be committed for example if IRCA did not keep properly the registers required by the system for controlling the traceability of waste (SISTRI).

The pecuniary penalty envisaged in that case would be between one hundred and fifty and two hundred and fifty quotas.

• Illegal trafficking of waste (art. 259 Decree 152/06);

This offence is committed when a shipment of waste represents illegal trafficking pursuant to art. 26 of Regulation (EEC) 259 of 1 February 1993, or the shipment consists of special waste listed in Attachment II of the above EEC Regulation.
This offence would be committed for example if IRCA organised a shipment of waste without the required authorisations and/or in violation of the current laws on traceability.
The pecuniary penalty envisaged in that case would be between one hundred and fifty and two hundred and fifty quotas.

• Organised activities for the illegal trafficking of waste (art. 452 -quaterdecies of the criminal code, as introduced by Decree no. 21/2018);

This offence is committed if, in order to obtain an unjust profit, a party illegally sells, receives, transports, exports, imports or otherwise manages massive quantities of waste on multiple occasions, via continuous and organised activities and the employment of resources.
This offence would be committed for example if, in order to obtain a profit, IRCA made use of its organisational structure on a regular (not occasional) basis to handle and process waste.
The pecuniary penalty envisaged in that case would be between four hundred and eight hundred quotas.

• IT system for controlling the traceability of waste (art. 260-bis Decree 152/06)

This offence is committed if obligated parties do not comply with the system for controlling the traceability of waste (SISTRI) envisaged in art. 188-bis, para. 2, letter a) of Decree 152/06 in the required manner.
This offence would be committed for example if IRCA failed to register with SISTRI.
The pecuniary penalty envisaged in that case would be between one hundred and fifty and three hundred quotas.

• Penalties for violating the regulations on atmospheric pollution (art. 279 Decree 152/06);

This offence is committed if a party builds or operates a factory without the required authorisation or continues operations after the authorisation has expired or lapsed or been suspended or withdrawn.
This offence would be committed for example if IRCA opened a new factory without the required authorisation for atmospheric emissions.
The pecuniary penalty envisaged in that case would be as much as two hundred and fifty quotas.

2 Sensitive processes in relation to environmental offences

In view of the activities carried out by IRCA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that could involve the commitment of offences governed by art. 25-undecies of the Decree:

- checking and applying for the required environmental authorisations;
- checking compliance with the requirements contained in the authorisations or issued by the competent authority;
- management of waste and keeping of registers and formula sheets relating to waste;
- management of industrial waste water discharges and the drainage system;
- management of atmospheric emissions.

The following IRCA resources are directly involved in the performance of these sensitive processes:

- Safety/Environment Officer
- Manager of Safety - Environment - Energy Management System;
- Operations Manager;
- Department Heads;
- Industrial Engineering.

3 Principles of conduct and control in the risk area of environmental offences

When carrying out operations that involve managing the design, manufacture and commercialisation of products, the Employees and all parties directly and indirectly involved within IRCA (including Consultants, Owners and Partners, to the extent necessary in order to perform their functions) must, in general:

- comply rigorously with all legal requirements and internal corporate procedures regarding the management of waste water discharges, waste and atmospheric emissions by IRCA;
- refrain from initiating, collaborating with or causing conduct that, individually or collectively, results directly or indirectly in commitment of the above environmental offences.

In this regard, IRCA has adopted a specific Environment Policy and a procedure for identifying the environmental aspects described in the Combined Safety - Environment - Energy Management System Manual (Ref. E.SYSTEM 001), which is an integral part of this Model.

Like the IRCA Safety Policy, the Environment Policy was prepared jointly by Management and the Manager of the Safety - Environment - Energy Management System, and subsequently checked and approved by Management.

This policy is consistent with the requirements of UNI EN ISO 14001 and the UNI INAIL Guidelines, ensuring respect and protection for all resources used by the Company, with a view to interacting as little as possible with the environment and reducing the health risks for workers as much as possible.
Definition of the Safety and Environment Policies expresses the commitment of the entire organisation to:

- comply with current occupational safety and environmental legislation;
- improve constantly the occupational safety and environmental performance of corporate activities;
- reduce the risks faced by workers and the consumption of natural resources;
- prevent and/or reduce potential environmental impacts and pollution.

The Safety and Environment Policies are disseminated and made known to all employees via notices in common areas, on noticeboards and on the corporate intranet. The policies are also published on the corporate website.
All employees are required to know the Environment Policy and work in a manner consistent with its principles.
The Environment Policy is reviewed annually during the Management review of the Environmental Management System. The corporate approaches to environmental and occupational safety matters are confirmed or amended at that time, depending on any internal requirements or external factors.

The following principal environmental aspects are also considered:

- polluting emissions (into the atmosphere or waste water);
- production of waste;
- consumption of raw materials;
- consumption of energy;
- consumption of water;
- consumption of natural resources (e.g. fuel);
- noise;
- smells;
- vibrations;
- use/presence of hazardous substances;
- appearance.

The possible impact of each of the environmental aspects identified is estimated, considering how they might change the environment (cause-effect relationship). This assessment considers:

- normal department operating and plant functioning conditions;
- any anomalous conditions (e.g. plant start up or shut down) or emergencies.

These environmental aspects are reviewed each year and their importance is assessed.

Recipients of the Model are also required to comply with and apply all the principles of conduct contained in the following documents adopted by IRCA, which are an integral part of this Model: Combined Safety - Environment - Energy Management System Manual (E.SYSTEM 001).

Lastly, contracts with third parties (for example, Collaborators, Consultants, Partners etc. selected using the precise criteria specified in the Model) that work on behalf of and in the interests of IRCA, in areas exposed to the risk of committing environmental offences, must:

- be set down in written documents containing all the agreed terms and conditions;
- contain standard clauses requiring compliance with Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the environmental offences envisaged in the Decree);
- contain a specific declaration from them confirming their knowledge of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the environmental offences envisaged in the Decree) and their commitment to behave in compliance with those regulations;
- contain a specific clause that governs the consequences of violation by them of the regulations contained in Decree 231/2001 (or, in the case of foreign parties or those working abroad, compliance with the local and international regulations relating, in particular, to conduct that might correspond to the environmental offences envisaged in the Decree) (for example: express termination clauses, penalties).

4 Specific procedures in the risk area of environmental offences

With regard to activities involving the types of transaction at risk identified above, Employees and all parties directly or indirectly involved in the management of environmental aspects within IRCA, to the extent necessary for their functions, must comply with the following procedures:

- relations with the PA and the authorities responsible for supervising the environmental aspects arising in the risk areas must be managed on a unified basis, identifying the person responsible for each operation or series of operations (if repetitive) carried out in the risk areas;
- appointments granted to external collaborators for whatever reason in relation to environmental matters must be documented in writing, specifying the remuneration agreed, and proposed, checked or approved by at least two persons belonging to IRCA;
- personnel responsible for the control and supervision of requirements relating to the performance of the above activities must dedicate particular attention to compliance and report any irregularities to the SB immediately;

- with regard and in relation to each of the above sensitive areas, is it necessary to:
  - provide information to all workers;
  - provide information and training to workers who are active in operational areas of the organisation that are exposed to the risk of committing offences;
  - provide information to the workers of external firms operating at the factories of IRCA;
  - ensure adequate supervision of worker compliance with the environmental safety procedures and measures, identifying specific responsible persons at each factory;
  - prepare internal environmental safety and protection regulations that appropriately address the environmental risks;
  - obtain and retain documentation confirming compliance with the environmental protection laws, regulations and standards;
  - retain documentation about the authorisation processes, authorisations and certifications and all other related documents, including any additional deeds or amendments;
  - retain documentation about the internal regulations of the Company;
  - monitor constantly corporate procedures, ensuring that they are revised appropriately, on a timely basis, especially if the risks increase or in the event of an emergency;
  - carry out cyclic audits of environmental matters; monitor the environmental regulations and compliance with them;
  - check periodically compliance with the administrative requirements envisaged by the relevant environmental legislation with regard to the last six months;
- check, considering the requirements of current legislation, the need to obtain authorisation for the discharge of waste water;
- arrange to obtain authorisations by the deadlines established in current legislation and, for plants that have not been authorised yet, activate the checks required by the relevant legislation;
- check the instructions contained in authorisations concerning: compliance with the maximum discharge limits and with the requirements, sampling and analytical methods, and specified frequency of checks;
- check that the concentrations of polluting substances in the discharges are measured and that the maintenance registers are kept properly, in compliance with the authorisations and with at least the minimum specified frequency;
- maintain and renew the discharge authorisations by the deadlines envisaged in the relevant current legislation;
- apply for new authorisations if significant changes are made to the plant concerned;
- check periodically proper compliance with the above requirements;
- check that the consultants, partners and collaborators in general dedicated to waste management compliance, including transport firms and the waste

management company, are selected on a transparent basis in accordance with specific corporate procedures that require final approval by General Management;
- check that the appointments granted to external Collaborators (such as technicians for the preparation of technical documentation required for the renewal of authorisations and compliance with the environmental regulations) are documented in writing, specifying the remuneration agreed, and proposed, checked or approved by at least two persons belonging to IRCA;
- check that all the information stated on the certificate of waste analysis is true and correct with reference to the specific analyses carried out;
- update the production input/output registers and the movements of waste;
- manage the temporary holding of waste in accordance with current legislation;
- manage the preliminary storage and holding of waste in accordance with the related authorisations;
- complete and issue the waste identification formula sheets for off-site transportation; request and check the authorisations required for all parties involved in the various phase of waste management (collection, transportation, recycling, disposal);
- complete the Sistri – Area chronological register form and the Sistri – Area movements form, check acceptance by the destination site by reference to the e-mail received from Sistri.

Without prejudice to the above, in order to identify and assess environmental matters on an ongoing basis and implement the necessary control measures, IRCA has adopted the following specific procedures as part of the Combined Safety - Environment - Energy Management System. These procedures are an integral part of this Model and the Employees of IRCA (and its Consultants, Owners and Partners, to the extent necessary in order to perform their functions) are required to comply with and apply them:
- combined management system manual (Ref. E.SYSTEM 001);
- declaration of authority (Ref. E.AUTH 010);
- management of documentation and records (Ref. E.DOC 901);
- management review (Ref. E.INFSYS 801);
- management of objectives and improvement plans (Ref. E.INFSYS 802);
- management of internal and external communications (Ref. E.INFSYS 803);
- management of safety, environment and energy reporting (Ref. E.INFSYS 804);
- audit of the safety, environment and energy management system (Ref. E.INFSYS 805);
- management of emergencies (Ref. E.INFSYS 806);
- management of plant, machinery, equipment and assets (Ref. E.METHOD 301);
- identification and assessment of environmental matters (Ref. E.METHOD 302);
- identification and access to legal and other instructions (Ref. E.METHOD 303);

- management of security (Ref. E.METHOD 304);
- management of non-conformities, corrective and preventive actions (Ref. E.METHOD 305);
- no smoking policy (Ref. E.POLICY 002);
- environment policy (Ref. E.POLICY 004);
- management of external firms and access to the Company (Ref. E.PURCH 602);
- management of noise emissions (Ref. PE.006.001);
- management of environmental emergencies in shared and/or adjoining areas (Ref. PE.007.003);
- management of incidents and emergencies (Ref. PE.07.002);
- management of chemical substances/compounds (Ref. PE.05.001);
- management of waste (Ref. PE.01.001);
- management of atmospheric emissions (Ref. PE.02.001);
- management of the consumption of energy and water resources (Ref. PE.04.001);
- checks and supervision (Ref. PE.007.004);
- maintenance of general plant (Ref. PE.09.001);
- management of water discharges (Ref. PE.03.001).

5 Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

SPECIAL PART

VI

OFFENCES AGAINST TRADE AND INDUSTRY

1 Types of offence against trade and industry (art.25-bis 1 of Decree 231/2001)

This Special Part relates to the offences against trade and industry referred to in art. 25-bis 1 of Decree 231/2001, if committed in the interests of and/or for the benefit of the Company by directors, general managers or liquidators or persons subject to their supervision, if the fact would not have happened had they supervised in compliance with the obligations inherent in their roles.
The offences against trade and industry that might theoretically be committed by persons within IRCA are discussed briefly below, making reference to the texts of the decree, the criminal code and the special laws for more details, albeit they are already deemed to be known pursuant to art. 5 of the Criminal Code.

• Disturbing the freedom of trade and industry (art. 513 criminal code)

This offence occurs in the event that a subject uses violence against property or adopts fraudulent means to prevent or disturb the exercise of an industry or a trade.

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

• Fraud in the exercise of trade (art. 515 criminal code)

This offence is committed if, in the exercise of a commercial activity or in a public market, a party gives the purchaser one moveable asset instead of another, that is a moveable asset whose origin, source, quality or quantity is different to that stated or agreed.

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

• Sale of industrial products with false signs (art. 517 criminal code)

This offence is committed if a party sells or otherwise distributes intellectual property or industrial products using national or foreign names, trademarks or distinctive signs that mislead the purchaser about the origin, source or quality of the work or product.

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

• Manufacture and trade in goods made by appropriating industrial property rights (art. 517 – ter criminal code)

This offence is committed if, while knowing about the existence of industrial property rights, a party manufactures or uses for industrial purposes objects or other goods made by appropriating or violating an industrial property right.
(This offence is also committed if, in order to obtain a profit, a party imports, holds for sale, places on sale directly to the end consumer or otherwise distributes the goods referred to above by appropriating or violating an industrial property right).

The pecuniary penalty envisaged in that case would be as much as five hundred quotas.

2 Sensitive processes in relation to offences against trade and industry

In view of the activities carried out by IRCA and its internal organisation, the following categories of transaction and activity at risk are identified, pursuant to art. 6 of the Decree, that could involve the commitment of offences governed by art. 25-bis. 1 of the Decree:

- delivery of a product not specified in the contract/purchase order in terms of: location of production or manufacture, via an untrue "made in" declaration; quality, via misleading markings and EU conformity declaration;
- spreading of information and comments about the products and activities of a competitor, with a view to defamation, or appropriating the qualities or business of a competitor.

The following IRCA resources are directly involved in the performance of these sensitive processes:

- Technical Office;
- Commercial.

3 Principles of conduct and control in the risk area of offences against trade and industry

When carrying out operations that involve managing the design, manufacture and commercialisation of products, the Employees and all parties directly and indirectly involved within IRCA (including Consultants, Owners and Partners, to the extent necessary in order to perform their functions) must, in general:

- comply rigorously with all legal requirements and internal corporate procedures for managing the design, manufacture and commercialisation of the products;
- refrain from initiating, collaborating with or causing conduct that, individually or

collectively, results directly or indirectly in commitment of the above offences against trade and industry.

In this regard, IRCA complies with best practices and the European technical regulations, ensuring that an excellent standard is achieved.

4 Specific procedures in the risk area of offences against trade and industry

With regard to activities involving the types of transaction at risk identified above, Employees and all parties directly or indirectly involved in the management of product processes within IRCA, to the extent necessary for their functions, must comply with the following procedures:

- quality guarantee for ATEX products (see Attachment VII ATEX Directive 2014/34/EU) (Ref. 0.40.33);
- suitability for contact with food (Regulation 1935/04/EC) (Ref. 0.41.03);
- compliance with restrictions on hazardous substances (Directive 2011/65/EU RoHS2 and subsequent amendments) (Ref. 0.41.14);
- use of chemical substances (Regulation 1907/06/EC) (Ref. 0.41.15);
- compliance with the safety requirements of the applicable directives for CE products (e.g. Low Voltage 2014/35/EU and others) (Ref.0.41.16);
- design quality and product development (Ref. Q.METHOD 340).

5 Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part

SPECIAL PART

VII

TAX OFFENCES

1 The types of tax offences (art. 25-quinquiesdecies of Decree 231/2001)

This Special Part refers to tax offences committed by internal and external parties such as directors, employees, agents, consultants, collaborators and partners, provided they were committed for the benefit of the Company. In fact, Decree no. 124 dated 26 October 2019 (so-called "tax decree"), converted by law no. 157 dated 19 December 2019, in art. 39 introduced important changes to the regulations of tax offences and the administrative liability of organisations for offences arising from a crime.

Specifically, art. 25-quinquiesdecies, para. 1, of Decree 231/2001 extends the perimeter of predicate offences for the administrative liability of entities by including the following cases:

- fraudulent declaration by means of invoices or other documents for non-existent operations (art. 2, para. 1 and para. 2-bis Decree no. 74/2000), punished with a pecuniary penalty up to five hundred quotas in the case referred to in art. 2, para. 1, or up to four hundred quotas in the case referred to in art. 2, para. 2-bis;
- fraudulent declaration through other means (art. 3, Decree no. 74/2000), punished with a pecuniary penalty up to five hundred quotas;
- issue of invoices or other documents for non-existent operations (Article 8, para. 1 and para. 2-bis, Decree no. 74/2000), punished with a pecuniary penalty up to five hundred quotas in the case referred to in art. 8, para. 1, or up to four hundred quotas in the case referred to in art. 8 para. 2-bis;
- concealment or destruction of accounting documents (art. 10, Decree no. 74/2000), punished with a pecuniary penalty up to four hundred quotas;
- fraudulent evasion of tax payments (art. 11, Decree no. 74/2000) punished with a pecuniary penalty up to four hundred quotas.

Furthermore, if, as a result of committing the offences indicated above, the Organisation has achieved a profit of a significant amount, the penalty is increased up to one third.

Further changes to the criminal-tax regulations were introduced by Decree no. 75 of 14 July 2020, transposing Directive (EU) 2017/1371, relating to the fight against fraud that damages the financial interests of the European Union through criminal law (so-called "PIF directive"), "in relation to the commission of offences envisaged by Decree no. 74 of 10 March 2000, if committed in the context of cross-border fraudulent systems and for the purpose of evading value added tax for a total amount of no less than ten million euro, the following pecuniary penalties apply:

- for the offence of unfaithful declaration provided for by art. 4, the pecuniary penalty up to three hundred quotas;
- for the offence of omitted declaration provided for by art. 5, the pecuniary penalty up to four hundred quotas;
- for the offence of undue compensation provided for by art. 10-quarter, the pecuniary penalty up to four hundred quotas".

The penalties envisaged may be of a pecuniary nature, a suspension, as well as confiscation and publication of the sentence. It should also be noted that the same behaviour punished by the 231 sanctions leads to administrative sanctions being applied to the Organisation.

The individual types contemplated in Decree 231/2001 in art. 25-quinquiesdecies are discussed briefly below, making reference to the text of the Decree, to that of the Civil Code, of the Criminal Code and to that of the special laws referred to from time to time, for a detailed description of the same.

• Fraudulent declaration by means of invoices or other documents for non-existent operations (art. 2, para. 1 and para. 2-bis. Decree no. 74/2000)

This offence is instantaneous in nature and is considered to have been committed with the submission of the tax return (relating to income taxes or VAT) in which the taxpayer has indicated the fictitious elements documented by invoices or other false documents issued against transactions not actually carried out in whole or in part or which indicate fees or VAT of a higher amount than the real one or the transaction refers to parties other than the actual ones, registered in the mandatory accounting records or, in any case, held for the purpose of evidence towards the financial administration. The incriminating criminal provision does not require exceeding any threshold of punishment and, consequently, is applied whatever the amount of tax evaded and even in the absence of actual damage to the Treasury.

"Other documents" means all those documents that have probative value similar to that of invoices for tax purposes, such as, for example, receipts and sales receipts, fuel cards, self-invoices, transport documents.

The transaction is completely non-existent (so-called objective non-existence) when it has never actually occurred and is "invented" in order to create fictitious costs or to deduct the VAT resulting from the document. It is only partially non-existent when, instead, in reality, it occurred to a quantitatively lower extent than that resulting from the document. Partial (or relative) objective non-existence occurs when the sale of goods or the provision of services has actually taken place, but the amount is different and lower than documented in the invoice, with a consequent artificial increase in the price indicated, and therefore in the cost to be deducted for the user of the same (so-called overbilling). This offence occurs, in the first place, when the divergence between invoice and commercial reality concerns the quantitative sphere of the goods and services shown in the invoice, which are numerically higher than the actual ones (for example, actual sale of and payment for 40 quintals of plastic,

shown in the invoice as 60 quintals). It also occurs when the fees or VAT are indicated at a higher amount than the actual amount (for example, provision of maintenance services with an effective fee of 10,000 euro, shown in the invoice for 15,000 euro).
In addition to objectively non-existent transactions, the law also affects the use of invoices relating to subjectively non-existent transactions. The subjective non-existence occurs every time the falsehood refers to parties with whom a specific transaction has taken place and, in particular, the invoice indicates a party who, despite having apparently issued the document, has not carried out the assignment or service either because it is a non-existent party or because it has not had any relationship with the final taxpayer.
The prevailing case law recognises the two-phase structure of the offence of fraudulent declaration pursuant to art. 2 of Decree no. 74/2000, i.e., divisible, in terms of time, into two distinct moments. The first phase is characterised by a necessarily preparatory conduct, i.e., the acquisition of invoices or other documents certifying non-existent operations. The second phase, on the other hand, is characterised by recording these invoices or documents in the accounts or by keeping them for the purpose of evidence towards the financial administration.
The active party of the offence, considering its instantaneous nature, can only be the taxpayer (or its representative) who signs and submits the tax and/or VAT return.
Regarding non-existent transactions, it is appropriate to mention the "carousel fraud" which in recent years has involved many taxpayers who have intervened knowingly or unknowingly by carrying out circular transactions aimed at evading VAT. In short, the typical mechanism of VAT is exploited: tax charged by the sellers or lenders to their own buyers or clients, tax paid, possibility of deducting it for the buyers. Specifically, against this deduction, in carousel fraud some parties along the chain of exchanges fail to fulfil their obligation to pay VAT by circulating a fictitious credit, thanks to the principle of paper credit of the tax. Carousel fraud can be perpetrated in various more or less complex ways, frequently involving transnational transactions, exploiting the mechanism of intra-community transactions which allow the purchaser of goods or services from an EU operator not to be charged VAT and therefore to be a VAT debtor towards the Treasury for subsequent transfers (a debt position which will not be honoured, giving rise to the fraud).
The offence of fraudulent declaration is punished as specifically intentional, from this it follows that, in addition to the need to prove the awareness and will of the conduct in making use of invoices or other documents for non-existent transactions, the further purpose of "evading income or value added taxes" must also be ascertained.

For this offence, a penalty up to 500 quotas is applied against the organisation.

• Fraudulent declaration by other means (Article 3 of Decree no. 74/2000)

The offence is perpetrated by making use of false documents when such documents are registered in the compulsory accounting records or are held for the purposes of

evidence towards the financial administration. However, it occurs with the submission of the tax return, since it too, like the one indicated in art. 2 examined above, is an instantaneous offence.

The reserve clause provided for in the incipit of art. 3 of Decree no. 74/2000 places the offence of fraudulent declaration by other means in a type-specific relationship with art. 2 of the aforementioned Decree. The two articles complement each other in order to allow the tax authorities to intercept false tax or VAT returns.

The offence of fraudulent declaration by other means, although it can be committed by "anyone", represents, similarly to the offence referred to in art. 2, Decree no. 74/2000, a specific offence, having as an active party "anyone" who must submit a tax or VAT return.

Moreover, the use of other "fraudulent means[7]" represents a residual category, which can be used when the more specific offences do not apply. Therefore, a characterising and distinctive aspect with respect to art. 2, Decree no. 74/2000, is the presence of behaviours that make the possibility of being "discovered" by the financial administration more difficult and, conversely, increase the possibility of success of the deception by the agent.

The offence occurs, for example, when a director issues a false declaration or false technical appraisals or false certificates of conformity are acquired in order to benefit from hyper-depreciation[8] or capital goods tax credit[9].

The issue of transfer pricing could give rise to the case in question if the violation of the principle of free competition, in the determination of transfer prices, results from an ascertained fraudulence or forgery of the national documentation or in the Master file envisaged by the legislation on the matter.

For this offence, a penalty up to 500 quotas is applied.

• Issue of invoices or other documents for non-existent operations (Article 8, para. 1 and para. 2-bis of Decree no. 74/2000)

With this type of offence, the Legislator intended to punish the so-called "shell corporations", i.e., those illicit companies, created for the purpose of issuing false documents aimed at supporting the presentation of fictitious passive elements in third-party declarations.

The offence of issuing invoices or other documents for non-existent transactions is a common offence, as it can be committed in the abstract by "anyone", in this case understood as any party, whether it is a VAT subject who issues an invoice for a non-existent transaction, or a private person who issues a document certifying a non-existent provision of occasional self-employment. The case of overbilling also falls within this case.

[7] On the basis of art. 1, para. 1, letter g-ter, Decree no. 74/2000, "by fraudulent means we mean artificial conduct as well as those carried out in violation of a specific legal obligation, which lead to a false representation of reality".
[8] Art. 1, paragraphs 60-65, Law no. 145/2018.
[9] Art. 1, para. 184-197, Law no. 160/2019 and Art. 1, para. 1054-1058, Law 178/2020.

We are dealing with an offence of a purposeful nature, instantaneous and of mere behaviour. The offence is committed at the time of the issue or release of the ideologically false invoice or document (instantaneous offence), not detecting the subsequent conduct of actual use of the same in the declaration by the third party (repressed pursuant to art. 2 of the Decree No. 74/2000 previously described).
The conduct punished by art. 8, Decree no. 74/2000, consists in the mere issue or release of invoices or documents for non-existent transactions as it is not required that the document reaches the recipient, nor that the latter uses it. The offence in question is committed when the invoice or document falls outside the issuer's availability.
As far as the subjective component is concerned, the element required for the integration of the offence is specific intent. In addition to evidence of the awareness and will of the conduct, it is necessary to prove the further purpose of allowing third parties to evade as well. The offence cannot occur where the person acts exclusively for purposes other than those of allowing another person to evade tax, for example when issuing invoices to simulate a turnover of a certain level, in order to be able to obtain public funding.
In this regard, it should be remembered that the Organisation can be held liable pursuant to Decree 231/2001 if in committing an envisaged offence it has obtained an interest or benefit. In this case, the interest or benefit for the issuing company could be represented by the remuneration obtained by the third party against the issue of invoices for non-existent transactions, also through the transfer under the counter of part of the invoiced and apparently collected sums.

For this offence, a penalty up to 500 quotas is applied.

• Concealment or destruction of accounting documents (Article 10 of Decree No. 74/2000)

This offence is placed to protect "fiscal transparency", i.e., in the interest of the tax authorities so that no obstacles are placed in the way of ascertaining whether the debt exists and its amount by way of tax. The offence is deemed to have been committed even if the resulting evasion does not exceed a certain threshold.
From the point of view of the active subjects, this is a common offence, since it can be committed both by the taxpayer, with regard to the "accounting documents" which it is obliged to keep, and by parties other than the taxpayer to whom these documents belong. This is confirmed by the fact that the specific intent required by the law is, alternatively, articulated in the "purpose of evading taxes on income or on value added" and in the purpose "of allowing evasion to third parties", so that the offence may be committed (as well as by the taxpayer) also by a person who acts to allow the taxpayer to avoid paying income taxes or VAT.
The material object of the offence is represented by the "accounting records" and by the "documents whose conservation is mandatory". The case law has extended the

objective scope to include not only the mandatory tax records and documents, but also the records required by the nature of the company and the activity carried out.
For the purpose of integrating the offence, the destruction[10] or concealment[11] of the accounting records and documents is required, whose conservation is mandatory according to the law. Considering that the law provides for these two distinct conducts, it is possible that an internal combination of offences may occur, when the individual first conceals and subsequently destroys the documents.
The offence is to be considered instantaneous, in the case of destruction of the accounting records, and permanent, in the case of concealment, with different consequences with respect to the determination of the moment in which it occurs.
This offence occurs, for example, when, during a tax audit/inspection, an employee of the Company refuses to show tax documentation for which there is an obligation of conservation, through a conduct capable of hindering the availability and use of the same.

For this offence, a penalty up to 500 quotas is applied.

Finally, in the context of this offence, it should be noted that, starting from 2022, the new "Agid Guidelines" on digital preservation came into force, which highlight the absolute relevance within each organisation of the figure of the "Storage Manager", that is the natural person who is responsible for the electronic documents and for all the activities listed in article 8 paragraph 1 of the technical rules of the storage system (Prime Ministerial Decree dated 3.12.2013). In this case, he/she is responsible for all the activities aimed at storing the IT documents in accordance with the law placed in storage as part of the provision of the conservation service.

• Fraudulent evasion of tax payments (art.11 of Decree no. 74/2000)

This offence is committed through acts of disposal by the tax debtor, which make it difficult for the exchequer to exercise the executive function. It is therefore a question of protecting the "(generic) security offered to the tax authorities for the assets of the debtor[12]".
The criminal case constitutes an offence of "danger" and not "of damage".
The relevant conduct, therefore, can be constituted by any fraudulent act or fact intentionally aimed at reducing the taxpayer's own financial capacity, a reduction to be considered, with ex-ante judgment, suitable both from a quantitative and qualitative point of view, to frustrate in whole or in part, or in any case to make more difficult, a possible enforcement procedure.
For its configuration, the existence of an ongoing enforcement procedure is not required.

[10] Destruction means the total or partial elimination of the material support that incorporates the writing or the document, including also in the hypothesis that the document is available, but illegible or not usable for the financial administration.
[11] Concealment means the material concealment of records or documents, so as not to make them usable by the tax authorities at the time of the assessment.
[12] Criminal Cass. Section III, no. 36290/2011.

The time of perpetration is unanimously identified as the moment in which any action is put in place such as to endanger the fulfilment of a tax obligation[13] regardless of the subsequent fulfilment of the obligation itself.
With reference to the subjective element, specific wilful misconduct is required, that is, the will to evade the payment of taxes by putting in place a conduct suitable to frustrate the compulsory collection procedure.
However, the provision assumes criminal relevance only if the tax debt, the payment of which the taxpayer intends to avoid, is of a "total amount exceeding fifty thousand euro".
The conduct sanctioned by art. 11, paragraph 1, of Decree no. 74/2000 can be implemented through two alternative methods: simulated alienation and the performance of fraudulent acts.
The simulated alienation can be:
- absolute, when the parties do not intend to pursue any purpose, regardless of what is indicated in the simulated contract;
- relative, when the contractual parties intend to pursue a different purpose than the one agreed in the simulation;
- fictitious interposition of a person, if the alienation is only formally directed to a party other than the real one.
The performance of fraudulent acts, on the other hand, refers to the performance of non-simulated acts, but that are characterised by elements of artifice and deception, and includes both the performance of legal acts and that of material acts.
Consider, for example, a taxpayer who, together with the notification of a tax notice, fraudulently establishes a "self-declared" trust (an institution characterised by the settlor and the trustee being the same individual) in order to (falsely) represent the separation between the assets transferred to the trust fund from its own. Think also of a corporate reorganisation operation through which the company that is a debtor towards the Treasury decentralises every activity towards other companies of the group attributable to the same ownership, leaving only the debt relationship with the Tax Authorities within it.

For this offence, for the purposes of 231, a penalty up to 400 quotas is applied.

• Unfaithful declaration (art. 4, Decree no. 74/2000)

The offence in question is a specific offence, as it can only be committed by the party required to submit the tax and VAT return.
As specified by the law, the following are not criminal offences: (i) the incorrect classification of objectively existing active and passive elements, provided that the criteria concretely applied have in any case been indicated in the financial statements or in other documentation relevant to tax purposes; (ii) the violation of the criteria for determining the year of competence, non-inherence, non-deductibility of real

[13] Criminal Cass. no. 23986/2011.

passive elements. Furthermore, apart from these cases, assessments which, taken as a whole, differ by less than 10 per cent from the correct ones do not give rise to punishable acts; the amounts included in this percentage are not taken into account when verifying the thresholds of punishment set out in paragraph 1, letters a) and b).
It should be noted that this criminal case is relevant "for the purposes of 231" limited to conduct connected to cross-border fraudulent systems, in order to evade VAT and where the total quantitative threshold of Euro 10,000,000 of tax evaded is integrated.
The subjective element required by the standard is represented by the specific intent, that is, the intention to pursue the purpose of evading the taxes subject to declaration.
For "231 relevance", it is also necessary to ascertain the "purpose of evading value added tax" in the context of the broader cross-border fraudulent system connected to the territory of at least one other Member State of the European Union in which the conduct is carried out.
The case of unfaithful declaration pursuant to art. 4 of Decree no. 74/2000 constitutes an instant offence, which is perfected at the time of submitting an untruthful tax return. The incriminating provision, however, is not further identified in terms of fraud.
To clarify the limits of the protection measures prescribed by the PIF Directive, the areas of intervention have been limited to serious offences against the common VAT system only, to be understood as offences: (i) connected to the territory of two or more Member States, (ii) which derive from a fraudulent system whereby these offences are committed in a structured manner for the purpose of obtaining undue benefits from the common VAT system and (iii) whose total damage caused is at least equal to 10 million Euro, to be understood as the cumulative effect of the VAT generated by the parties participating in the cross-border fraudulent system.

For this offence, for the purposes of 231, a penalty up to 300 quotas is applied.

• Omitted declaration (art. 5, Legislative Decree no. 74/2000)

Decree no. 75/2020 has included the offence pursuant to art. 5, Decree no. 74/2000 among the predicate offences covered by art. 25-quinquiesdecies of Decree 231/2001, if committed in the context of cross-border fraudulent systems connected to the territory of at least one other Member State of the European Union and in order to evade value added tax for a total amount of no less than ten million Euro.
The offence of omitted declaration is a specific offence, as it can only be committed by parties who must submit tax and/or value added returns or by withholding agents.
It is a specific omissive and instantaneous offence that, pursuant to art. 5, para. 2, Decree no. 74/2000, takes place 90 days after the deadline for submitting the return.
Entrusting a professional with the task of preparing and submitting the annual tax or VAT return does not exempt the obligated party from criminal liability for the offence of omitted declaration, as, since it is a specific offence of omission, the tax law considers the party's duty as personal and mandatory.

The offence in question requires, as a subjective element, specific intent, i.e., the intent to evade taxes.
As mentioned above, the type of offence in question assumes relevance for the purposes of Decree 231/2001, if committed "in the context of cross-border fraudulent systems connected to the territory of at least one other Member State of the European Union and in order to evade value added tax for a total amount exceeding ten million euro".

For this offence, for the purposes of 231, a penalty up to 400 quotas is applied.

• Undue compensation (art. 10-quarter, Decree no. 74/2000)

The offence of undue compensation, if committed in the context of cross-border fraudulent systems connected to the territory of at least one other member state of the European Union and in order to evade value added tax for a total amount of no less than ten million euro, has been included, by art. 5 of Decree no. 75/2020, among the predicate offences of Decree 231/2001.
Decree no. 74/2000 outlines two criminal cases, one concerning offsetting taxes owed with "not due" credits (i.e. those that exist, but which cannot be used as compensation) and the other referring to offsetting taxes owed with "non-existent" credits (i.e. those constructed artificially).
The incriminating criminal provision in question introduces a specific and instantaneous offence, which can only be committed by the taxpayer called to submit form F24, as well as a commissive one, as the offending behaviour takes the form of submitting a form F24 with which undue or non-existent credits are offset.
The offence of undue compensation may trigger the administrative liability of the organisations to the extent that the illegal compensation is connected with fraudulent cross-border systems for the purpose of evading VAT and where the total quantitative threshold of ten million Euro of tax evaded occurs.

For this offence, for the purposes of 231, a penalty up to 400 quotas is applied.

2 Sensitive processes in relation to tax offences

In view of the activities carried out by the Company and its internal structure, the following categories of transaction and activity at risk have been identified, that could involve the commitment of offences governed by art. 25-quinquiesdecies of the Decree:

- selection, qualification and management of suppliers of goods, works and services;
- active and passive invoicing management and accounting;
- negotiation and stipulation of contracts for the purchase of goods, works and services;
- administrative management of personnel;
- personnel expense report management;

- general accounting management;
- archive management;
- management of the preparation of the financial statements;
- intragroup operations management;
- monitoring regulatory updates in the tax field;
- monitoring the fiscal calendar;
- management of the determination and payment of direct and indirect taxes;
- management of sales orders/contracts;
- management of sale and disposal of company assets;
- management of trade receivables and trade payables;
- management of warehouse logistics flows;
- management of sponsorships and donations to associations and customers;
- treasury management.

The Offices directly involved in carrying out these sensitive processes are:

- Administration;
- Treasury;
- Sales (Strategic Business Unit);
- Purchases;
- Human Resources;
- Information Communication Technology;
- Technical Office;
- Supply Chain.

3 Principles of conduct in the risk area of tax offences

In general when carrying out all business management activities, the corporate bodies of the Company (and its Employees, Consultants, Owners and Partners, to the extent necessary in order to perform their functions) must be aware of and comply with:

- the system of internal control and therefore the procedures of the Company, the documentation and instructions relating to the hierarchical-functional and organisational structure, and the system of management control;
- the internal rules governing the administration, accounting and financial system;
- the system of communications to personnel and their training;
- the disciplinary system;
- in general, the applicable Italian and foreign regulations;
- the rules contained in the General Part of this Model;
- the rules and procedures for the individual Sensitive Processes, as described below in this Special Part.

All Recipients of this Model must comply with the following conduct:

- not initiate, collaborate with or cause conduct that, individually or collectively, results directly or indirectly in commitment of any of the offences identified in art. 25-quinquiesdecies of Decree 231/2001;
- not initiate, collaborate with or cause conduct that, despite not representing the commitment of any of the offences considered above, could become an offence;
- initiate or cause violations of corporate principles and procedures.

In the above context, it is also strictly necessary to:

- behave in a transparent, proper and collaborative manner, ensuring compliance with laws and internal procedures, in all activities aimed at preventing tax offences pursuant to art. 25-quinquiesdecies;
- behave in a transparent and proper manner, ensuring full compliance with laws, regulations and internal procedures, when obtaining, processing and communicating the data and information necessary to allow an adequate internal tax policy for the purpose of preventing 231 tax crimes;
- refrain from entering into false or fraudulent transactions and from spreading false or inaccurate information, likely to cause the aforementioned types of offence;
- make all the communications required by law and the regulations to the Public Authorities and the supervisory and control bodies in a timely and proper manner, and in good faith, without hindering in any way the performance of their supervisory functions.

In particular, in order to prevent and impede the occurrence of tax offences, by way of example only, Recipients are required to:

- draw up, supply and transmit to the Tax Authorities correct, complete, accurate and truthful documents and/or data, such as to constitute a clear description of the fiscal and financial situation of the Company for the purpose of precisely fulfilling its tax obligations;
- maintain a conduct based on the principles of correctness, transparency and collaboration with the financial administration, ensuring full compliance with current regulations, when carrying out all activities aimed at the acquisition, processing, management and communication of data and information intended to allow a well-founded and truthful judgment for tax purposes on the equity, economic and financial situation of the Company;
- not to account for (or hold for the purpose of proof vis-à-vis the Finance Administration) and use in income tax and VAT returns fictitious passive elements, deriving from invoices or other documents for objectively or subjectively non-existent transactions, in order to evade income or value added taxes;
- not declare in the tax returns active elements lower than the real ones or fictitious passive elements or fictitious credits or withholdings, carrying out simulated transactions from an objective or subjective point of view, or make use of false

documents or other fraudulent means capable of hindering the assessment or inducing into error the Financial Administration, for the purpose of evading income or value added taxes;

- not issue or release invoices or other documents for objectively or subjectively non-existent transactions in order to allow third parties to evade income or value added taxes;
- not alter or in any case inaccurately report the data and information intended for preparing and drafting the equity, economic, financial and fiscal documents;
- not conceal or destroy, in whole or in part, the accounting records or documents whose conservation is mandatory, in order to evade income or value added taxes, or allow third parties to evade these;
- not alienate or carry out other fraudulent acts on own goods/assets or on the assets of others suitable to make the compulsory collection procedure wholly or partly ineffective or fruitless, in order to avoid the payment of income or value added taxes or of interest or administrative penalties related to said taxes;
- describe data and information in such a way as to provide a correct and truthful representation of the equity, economic, financial and tax situation of the Company;
- make available to the corporate bodies all the documentation concerning the management of the Company and preparatory to carrying out any and all control and verification activities legally or statutorily attributed to these.

The following controls have been established to prevent the above conduct:

- meetings (one or more) between the Supervisory Body and the Board of Statutory Auditors for the exchange of information about the control system and the assessment of any issues that emerged during the audit work;
- holding one or more meetings of the Board of Statutory Auditors and the auditing firm during which an adequate exchange of information is carried out;
- the general obligation to ensure and facilitate all forms of internal control over corporate management, in particular by implementing the internal procedures which provide for carrying out controls and reinforced controls in the presence of transactions, situations or facts that denote a significant tax risk.

Recipients of the Model are also required to comply with and apply all the principles of conduct contained in the Code of Ethics and the regulations in force from time to time.

4 Specific procedures in the risk area of tax offences pursuant to art. 25-quinquiesdecies

With regard to activities involving the types of transaction at risk identified above, all Company Employees must comply with the following procedures:

- all transactions must be tracked via adequate documentary support held in the corporate files;
- all revenue and expenditure cycles must be managed by distributing the related responsibilities among the various structures involved in the processes;
- all internal audit checks must be based on objective criteria that, as far as possible, are documented and traceable in the corporate files (hard copy or electronic);
- definition of roles, responsibilities and methods of managing the chart of accounts and accounting entries;
- compliance with an approval procedure for accounting entries (including settlement and year-end entries), in order to ensure their correct recognition;
- check of the complete, accurate and timely registration and accounting of invoices and of other corporate documents/facts for tax purposes;
- accounting and analysis of capital and economic balances;
- analysis of suspended items upon closure of transitional accounts;
- authorisation of any corrective entries;
- definition of methods for creating and managing customer and supplier master data;
- carrying out activities to verify the existence of technical-professional characteristics and economic and financial soundness of new suppliers, as well as defining methods for updating qualifications aimed at verifying that the supplier maintains the necessary requirements over time; defining the dimensional and qualitative requirements below or outside of which simplified verification procedures are allowed;
- formalisation of contracts for the supply of goods and services (commercial agreements, procurement contracts, orders and order confirmations, etc.);
- inclusion, in the contractual provisions with suppliers, of clauses providing for the prohibition of the assignment of credit or envisaging the assignment limited to other companies belonging to the supplier's group or to banks, securitisation or factoring companies, or other accredited financial institutions;
- implementation of reinforced checks in relation to suppliers established or domiciled in particular jurisdictions, assuming as a reference suppliers established or domiciled in states or territories other than those listed in ministerial decree (MEF) 17.01.2017, or included in the EU list of jurisdictions non-cooperative for tax purposes, or included in the list of jurisdictions with a high risk of money laundering and in other jurisdictions monitored by the FATF (hereinafter referred to as the "Reference Lists"); identification of the parties responsible for supervising any "red flags" highlighted by the analysis;

- implementation and application of specific procedures in relation to the expenses of sponsorship and donations to third parties, in particular associations and bodies, with the exception of those of modest amounts, providing in particular for the following: sharing the sponsorship initiative with several corporate levels; approval of the sponsorship agreement by the authorised corporate position; checking the effective performance of the sponsorship contract and collecting the related documentation; checking the completeness and accuracy of the data shown in the invoice with respect to the content of the sponsorship contract; checking the consistency of the financial flows related to the sponsorship or donation initiative with respect to the original proposal or the approved contract;
- definition of the types, limits and purposes of gifts and entertainment expenses; definition of specific approval levels for gifts and entertainment expenses; adoption of traceability systems for gifts and entertainment expenses, except for those of modest value, in order to facilitate the identification of beneficiaries and the purpose of the expenditure;
- definition of roles, tasks and responsibilities relating to payment management;
- check the invoice can be paid on the basis of the comparison between the contract, the completed transaction and the invoice; check of the correspondence between the financial transaction arranged and the relative supporting documentation; check of the consistency of the payment recipient with what is reported in the invoice; in the event of a discrepancy between the IBAN indicated in the purchase invoice and the one in the suppliers' database, reinforced checks must be envisaged;
- the Company refrains from resorting to salary backed loans, subject to any reasoned and specifically authorised exceptions;
- periodic analysis of anomalies (such as, for example, in the case of bank details attributable to multiple suppliers, or misalignment between the State of the supplier's headquarters or residence and the Country of headquarters or residence of the correspondent bank);
- carrying out identification activities for new customers and their scope of operation, acquiring the related documentation, with provisions for updating positions; definition of the dimensional and qualitative requirements below or outside of which simplified verification procedures are allowed;
- formalisation of contracts for the sale of goods and services (commercial agreements, procurement contracts, orders and order confirmations, etc.);
- implementation of reinforced checks in relation to customers based or domiciled in particular jurisdictions, using the "Reference Lists" as a reference; identification of the parties responsible for supervising any "red flags" highlighted by the analysis;
- carrying out appropriate checks in the presence of payments from parties other than the customer, on whose behalf these payments are made;
- carrying out appropriate checks in the event of a request by the customer to transfer credit to third parties;
- carrying out reinforced checks in the case of remittances from banks or financial

institutions with headquarters or domicile in States or territories included in the "Reference Lists";

- periodic analysis of anomalies (for example, the same bank details attributable to multiple customers, high frequency of changes in the master data or bank details);
- definition of roles, operational responsibilities to be implemented in the management of returns/complaints; definition of an authorisation process for the consequent requests for billing adjustments (e.g.: issue of credit or debit notes);
- storage/archiving of accounting records and mandatory documentation according to adequate security standards;
- carrying out periodic reconciliations of current accounts;
- prohibition to use cash for any collection, payment or transfer of funds, except for any exceptions dictated by operational needs where the amounts are limited and in any case within the limits of the law;
- monitoring of the deadlines to be complied with for declarations, submissions, communications and other obligations of a tax nature;
- monitoring of regulatory changes in tax matters;
- specific checks on the activities preparatory to drafting the tax returns, including those of a complementary nature on the elements intended to flow into these;
- analysis of the trend of assets and liabilities in relation to historical data, in order to identify any anomalous situations;
- check of the completeness and correctness of the data necessary for calculating taxes and for compiling tax returns and communications, as well as for compiling tax payment forms, possibly also through qualified external consultants in cases of greater complexity;
- accounting checks on the correspondence of input or output VAT amounts with the related accounts in the general ledger and VAT registers;
- check of compliance with regulatory requirements relating to tax offsets;
- check of the truthfulness and correctness of the certifications or documents supporting the tax credits;
- check of the correct accounting of taxes;
- signing tax returns and communications and tax payment forms and acquiring and storing transmission or payment receipts;
- definition of the criteria, in line with the provisions of the applicable reference legislation, for the determination of transfer prices in the context of intercompany transactions; definition of roles, duties and responsibilities relating to checking compliance with the criteria adopted for the determination of transfer prices;
- formalisation of contracts concerning the sale of goods and the provision of services between the companies of the group to which the Company belongs; identification and approval of intercompany transfer of funds for any reason;
- adoption and application of a procedure for the management of personnel and directors' travel, with check of the expenses incurred and the related supporting documentation, integrated, where necessary, with the justification of the expenses; carrying out a periodic check of the data entered into the system by the labour

consultant in relation to the workforce as well as of the correspondence between the number of payslips and the number of employees in the workforce;

- adoption and application of adequate procedures relating to the archiving and conservation of accounting records, registers and mandatory documents, also through the assistance of qualified external parties; appointment of a corporate record storage manager with IT skills; carrying out periodic audit visits to the external party or parties responsible for archiving and conservation;
- carrying out checks upon receipt of the goods in relation to consistency with the transport document and with the order listed in the management system; application of specific procedures in case of non-coincidence of the quality or price of the goods; implementation, at least on a sample basis, of the quantity and quality of the goods with respect to what is shown in the order;
- carrying out specific warehouse checks in the case of goods coming from a person other than the supplier (so-called triangular operations); carrying out reinforced checks where the place of origin of the goods or the supplier is located in a country or territory included in the “Reference Lists”.

All Employees of the Company (and Consultants, Owners and Partners, to the extent required by their functions) must comply with and apply all the specific procedures envisaged in the regulations adopted from time to time by the Company.

5 Checks carried out by the Supervisory Body

The Supervisory Body carries out periodic sample checks on the sensitive activities, to ensure that they are managed properly in accordance with the rules established in this Model.

In particular, with support from the competent functions, the Supervisory Body checks the system of delegated powers and mandates in force and its consistent with the system of organisational communications, recommending amendments if the powers and/or grades do not match the powers of representation granted or if there are other anomalies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

VIII SMUGGLING

1 Types of smuggling offences (art. 25-sexiesdecies of Decree 231/2001)

Decree 75/2020 implementing the so-called PIF directive, introduced the new article 25-sexiesdecies into Decree 231, entitled "Smuggling", thus widening the range of predicate offences by including some criminal offences covered by Presidential Decree 23 January 1973, no. 43 (so-called TULD "Consolidated text of provisions governing customs matters"). This Special Part has the objective of illustrating to the recipients (administrators, executives, company employees, consultants and collaborators) the responsibilities, criteria and behavioural rules in customs matters aimed at preventing committing so-called smuggling offences.

At the basis of the aforementioned legislative text, there are the so-called customs duties, i.e., taxes applied to the value of products imported and exported in the country that imposes them. Customs duties represent one of the resources of the European Union that flow directly into the Community budget, while customs rights are the fees that Customs can collect pursuant to law in the context of ordinary customs operations.

Art. 34 of the TULD includes, in the category of customs rights, the so-called border duties, i.e., import and export duties, levies and other import taxes envisaged by EU regulations, such as monopoly rights, border surcharges and any other tax and surcharge.

Smuggling offences are characterised by a close connection between domestic law and supranational law; in fact, although legislation on criminal matters is (currently) a prerogative of the individual Member States of the European Union, following the abatement of customs duties in intra-EU trade and the establishment of the common customs tariff, the proceeds deriving from customs has become a resource of the EU, and, as such, requires coordinated action between member states to be protected.

It seems useful to point out that, for the purposes of integrating the offences in question, the subjective element required is generic intent and therefore the sole awareness and will of the illegality of the conduct is sufficient, as it is not also necessary to demonstrate the "specificity" of the psychological element, i.e., the specific intent, which consists in the actual intention to remove the goods from customs supervision.

As a preliminary point, for the purposes of this Model, it appears useful to give an account of the penalties that can be imposed on the Company in the event of an offence relating to smuggling being committed.

To this end, it is necessary to dwell briefly on the effects produced following the entry into force of Decree 8/2016, which envisaged a "general" decriminalisation of all the offences of the legal system punished with the pecuniary penalty of a fine and a financial penalty, which included many offences laid down by the TULD. With reference to the offences of smuggling, therefore, this decree had provided for a decriminalisation of non-aggravated cases, as they are punished with the sole penalty of a fine.
However, art. 4 of Decree 75/2020, by amending art. 1, paragraph 4 of Decree 8/2016, excluded from the scope of this decriminalisation the smuggling offences envisaged by the TULD when the amount of the border duties due is greater than 10,000.00 euro.

With regard to the merits of the sanctions provided for the purposes of 231, art. sexiesdecies divides these sanctions into two "categories" of severity:

- the infliction of a pecuniary penalty up to 200 quotas if the amount of unpaid border duties is equal to or less than 100,000.00 euro;
- the infliction of a pecuniary penalty up to 400 quotas if the amount of unpaid border duties exceeds 100,000.00 euro.

Furthermore, as a result of the reference in paragraph 3 of the same article, regardless of the amount of the border duties "evaded", the penalties concerning the prohibition to contract with the public administration, the exclusion from benefits, loans, contributions or subsidies and the prohibition to advertise goods or services are applied to the Company.

2 Sensitive processes in relation to smuggling offences

In view of the activities carried out by the Company and its internal structure, the following categories of transaction and activity at risk have been identified, that could involve the commitment of offences governed by art. 25-sexiesdecies of the Decree:

- selection, qualification and management of non-EU suppliers of goods;
- selection, qualification and management of shippers and carriers who work on behalf of the Company;
- management of relations with the Customs and Monopolies Agency, also through third parties (e.g., shipper);
- management of import customs formalities and related customs clearance;
- management and accounting of non-EU passive invoicing and registration of customs bills;
- archiving of the documentation of each import operation;
- management of import flows of goods from non-EU countries;

- management of all operations affecting the transport of goods from non-EU countries;
- monitoring of regulatory updates in the customs area;
- management of the determination and settlement of border taxes;
- warehouse logistics flow management.

The Offices of the Company directly involved in carrying out these sensitive processes are:

- Administration;
- Purchasing Department;
- Logistics.

3 Principles of conduct in the risk area of smuggling offences

In general when carrying out all business management activities, the corporate bodies of the Company (and its Employees, Consultants, Owners and Partners) must be aware of and comply with all the rules and principles contained in the laws, regulations and company protocols, with specific reference to relations between the Company and third parties or those within the Group.

All Recipients of this Model must comply with the following conduct:

- not initiate, collaborate with or cause conduct that, individually or collectively, results directly or indirectly in commitment of any of the offences identified in art. 25-sexiesdecies of Decree 231/2001;
- not initiate, collaborate with or cause conduct that, despite not representing the commitment of any of the offences considered above, could become an offence;
- not initiate or cause violations of corporate principles and procedures.

In the context of the aforementioned regulations, it is also strictly forbidden:

- to maintain commercial, professional or business relations with natural and legal persons known or suspected of having a tendency to commit irregularities or customs offences;
- to maintain relations with the Customs and Monopolies Agency (hereinafter the “Customs Agency”), in representation or on behalf of the Company, in the absence of a specific proxy or power of attorney from the Company itself;
- to submit untruthful or incomplete declarations to national or community public bodies, in order to obtain favourable customs regimes, customs benefits or tax credits;
- to provide to third parties, consultants, external collaborators, shippers and/or persons in charge of means of transport, false information or news which, individually or as a whole, could influence or determine a choice of the applicable customs regime and/or of the relative documentation to be issued and /or prepared;

- to engage in deceptive or fraudulent conduct towards the representatives of the Customs Agency such as to induce them to make errors of assessment;
- to confer professional assignments, give money or promise advantages to those who carry out checks and inspections on customs matters in representation of the Judicial Authority;
- to obtain, import, export, conceal, unload and deposit goods in violation of customs legislation;
- to adopt behaviours which, through the lack of timely updating of the customs documentation and lack of correct conservation, prevent the authorities and supervisory bodies from carrying out the necessary control activities.

In order to prevent and impede the occurrence of smuggling offences, by way of example but not limited to, Recipients are required to:

- ensure the proper issue, keeping and conservation of all corporate, accounting and tax documentation relevant for customs purposes;
- ensure the constant and timely adaptation to customs legislation, promoting and implementing all reasonable initiatives aimed at compliance with the obligations and provisions of the law on customs matters;
- encourage specific training and refresher programs on customs matters, where necessary according to the specific company area to which they belong;
- behave lawfully, correctly and transparently in the performance of all activities, in particular towards the Tax Administration by responding to any requests for information and documents formulated by the same;
- ensure the separation of roles between those who request the asset from third parties, those who carry out the accounting entry and those who make the payment;
- identify within the Company, a subject - suitably trained - in charge of the role of customs manager, who coordinates the internal checks and controls, which require the transversal involvement of the various company areas (administration, sales, purchases, warehouse, etc.);
- ensure adequate and specific training in customs matters for the resources involved in the process of managing the purchase of goods from non-EU countries;
- pay the duties due and guarantee the payments;
- ascertain the identity of the interested counterparties (non-EU suppliers and shippers), in particular by adopting specific selection criteria which assess their specific honourability and professionalism requirements, providing for reinforced checks in relation to Suppliers whose registered office and domicile are in particular jurisdictions, taking the “Reference Lists” as a parameter;
- when selecting third-party professional figures to be entrusted with logistics and transport services, favour the choice of operators with specific knowledge and skills in customs matters and, where possible, accredited by public bodies and institutions;

- ensure that tasks entrusted to third parties representing the Company are always assigned in writing, requesting compliance with the Code of Ethics;
- issue mandates to the shipper that are specific with respect to the activities to be carried out and the responsibilities to be assumed;
- ensure that the choice of the customs agent, or of other parties involved in the import phases, is shared and approved by the Purchasing Department, or by the Import Office and by the Administrative Department.

Furthermore, always in order to prevent and impede the aforementioned offences it is necessary:

- to carry out random checks, in order to ensure compliance with the customs legislation by the shipper, through a careful check of all the documentation issued by the same;
- to carry out constant monitoring, including through external consultants, of the evolution of the reference legislation and of the deadlines to be complied with for customs communications and obligations;
- to monitor the correct conservation (both on paper and electronic support) of the documentation relating to the management of customs obligations;
- to carefully assess the choice of shippers, resorting to parties with greater reliability and expertise;
- to report any discrepancies between the amount invoiced by the shipper and the amount previously ordered;
- to enter a "clause 231" in the contracts/purchase orders and letters of appointment for shippers, requiring compliance with the principles if conduct contained in the Company's Model.

4 Specific procedures in the risk area of smuggling offences pursuant to art. 25-sexiesdecies

For the purpose of implementing the conduct in the categories of risk operations identified above, without prejudice to compliance with the Model, the Code of Ethics, as well as with the procedures already adopted by the Company on customs matters, all Employees and Collaborators of the Company must comply with the following indications and/or procedures:

- all communications with the Customs Authorities and shippers must be traced through suitable documentary supports;
- assess the acquisition by the company, if not already done, of the status of authorised economic operator (AEO), conferred by the Customs Authority, able to allow a more streamlined management of customs formalities and a recognition of proven reliability of the Company in customs matters;
- every import process must be formalised, constantly updated and distributed

according to the responsibilities of the various company structures involved in the process, based on an identification through a suitable system of mandates and/or proxies of the parties in charge of signing the customs bills and of those authorised to relations with the Public Authorities;

- implement a specific procedure for assessing and selecting customs agents, which provides for checking, including through third parties, that they have the requisites of integrity and professionalism;
- proceed with a preliminary check, where possible, of the customs legislation of the country with which the commercial relationship is held;
- require, for each year of validity of the assignment conferred, that the shipper issues a self-certification for its continued registration in the appropriate professional register;
- require the shipper to also keep all the relevant documentation of the customs management which it has been assigned;
- contractually regulate the shipper's liability for the transport and custody of imported goods according to the principles of the TULD or of other provisions;
- request that the shipper update the Company on the loss of certain preferential regimes for goods already purchased and possibly subject to further supplies;
- give the shipper directives regarding the regulation of the freight transport contract, requesting that it should select the relative carrier with the utmost diligence and in the best interests of the Company;
- carry out appropriate checks on the shipper's work on a sample basis and on a six-monthly basis, also by resorting to other professional third-party operators in the sector;
- prepare and share among the various offices involved in the import processes, a list of customs obligations and INCOTERMS codes to be adopted for the different types of products/suppliers;
- implement in the corporate network, where missing, a specific reference folder to support the decisions made for customs purposes in relation to the purchase of goods of origin or provenance from outside the EU;
- ensure, in the event of changes to the goods purchased with respect to the original contractual clauses, immediate notification to the parties involved, first of all to the shipper for a possible adjustment of the duties due;
- activate a control procedure for goods imported under customs regimes other than definitive importation ones (e.g.: release for free circulation, transit for customs custody, etc....), in order to allow the prescribed checks, the documentary adjustments and any tax adjustment;
- provide for a specific company procedure in case of introduction of non-EU goods, using the institution referred to in art. 50-bis of Decree 331/93 (so-called VAT deposit), verifying the requirements for access and the self-invoicing methods;
- prepare a system for verifying the reductions or exemptions from duties that may

be applied to the goods purchased, through preventive access to the website of the Customs and Monopolies Agency: https://aidaonline7.adm.gov.it/nsitaricinternet/;

- check the correct transcription in the purchase register of the invoices and customs documents, indicating the relative taxable amount and the tax;
- check the correctness of the data entered in the Single Administrative Document (so-called SAD), in compliance with the Revenue Agency circular no. 45/D of 11 December 2006 containing the instructions for printing, using and completing forms for customs declarations;
- reinforced check of the correctness and accuracy of the declarations of preferential origin issued and of those received from suppliers, requesting the acquisition of documents supporting the origin of the imported goods;
- provide for reinforced checks of customs documents in the case of relations with non-EU suppliers residing in countries included in the Reference lists;
- carry out scrupulous checks of packages containing imported goods introduced into the Company's warehouses;
- upon receipt of the goods, carry out specific checks in relation to the consistency, nature, quantity and quality of the goods with the relative import bill or other customs document relating to the goods themselves;
- perform reinforced checks where the place of origin indicated in the customs declaration is different from that of the administrative/legal headquarters of the non-EU supplier;
- when carrying out accesses and/or checks, consult a specifically expert consultant in order to assist in customs matters;
- submit in advance, any notice of request for documentation from the competent Authorities to the consultant on customs matters and to the shipper who coordinated and fulfilled all the required formalities.

5 Checks carried out by the Supervisory Body

The recipients of this Model involved in the sensitive processes and activities identified above shall, through specific channels activated by the Company, report to the SB any violation, anomaly or non-compliance concerning the application of the procedures set out in the Model, the Code of Ethics, or the procedures implemented by the Company.

By way of example, the Recipients of the Model must send the following information (periodic or per event) to the SB:

- list of disputes, including proceedings before the tax commissions against the Customs Agency (every six months);
- notice of inspections, searches and/or seizures carried out by the Customs Authority, with the relative report;
- information from the Board of Statutory Auditors or the Auditor relating to

anomalies, discrepancies or critical issues of an accounting/fiscal nature found in relation to the correct accounting of documents relating to import/export operations;
- any exceptions to internal procedures in the event of an emergency or temporary impossibility of implementation;
- communications of changes in the system of mandates/proxies.

In view of the supervisory role assigned to the Supervisory Body in this Model, that body is entitled to unrestricted access to all the corporate documentation that it deems relevant in order to monitor the sensitive activities identified in this Special Part.

ANNEX II

PERSONS INTERVIEWED

For the preparation of the original version of this Model of Organisation, Management and Control, Messrs. Eng. Marta Dalla Cia, Chiara Berto and Gianoscar Botteon, who are members of the internal team appointed to assist the SB to direct knowledge of the corporate structure and procedures.

In addition, during the subsequent revisions of the Model, the persons who, within the company, cover the following functions were also interviewed:

General Manager;
I.C.T. Management;
Administration Department;
Quality Management;
Technical Management;
Human Resources Department;
Irca Engineering Management;
Operations Department;
Safety Manager (RSPP);
Facility Control Management;
Business Unit Departments;
Purchasing Department;
Supply Chain Management;
Finance and Treasury Manager.

ANNEX III

SB REGULATION AND MEMBERS

Regulations of the IRCA Supervisory Body

1 Appointment and membership of the Supervisory Body within IRCA

The Supervisory Body is appointed for 3 (three) years, which is renewable on each expiry date for the same period by the Board of Directors, if appointed. In all cases, each member of the SB will remain in office until a replacement has been appointed. In particular, at the time of appointment, the Board of Directors receives a declaration from the proposed Supervisory Body confirming the absence of any impediments to its eligibility, for example in terms of honourability and conflicts of interest with the corporate bodies and top decision makers.

Responsibility for appointing and revoking the Supervisory Body or any of its members (e.g. in the event of failure to perform the duties deriving from this Model) is assigned to the Board of Directors.
Appointments may only be revoked for just cause, which would include the organisational restructuring of IRCA.
In this regard, "just cause" for revoking the powers granted to a member of the Supervisory Body would include, without limitation:

- all cases in which the law allows the employer to dismiss an employee for just cause;
- reasons associated with specific violations - whether deliberate or negligent - of the obligations associated with the appointment (for example: disloyalty, inefficiency, negligence etc.);
- failure to supervise or inadequate supervision by the Supervisory Body - as envisaged in art. 6, para. 1, letter d) of Decree 231/2001 - as evidenced by a sentence, even if not definitive, passed against the Company pursuant to Decree 231/2001 or a sentence passed on application (plea bargain);
- if the member is unable to perform the assigned work;
- should the Supervisory Body no longer meet the requirements of "autonomy and independence" and "continuity of action";
- (if the member is an employee of the Company) when the member ceases to be an employee of the Company.

Each member of the Supervisory Body of IRCA may resign at any time for just cause or on giving at least 3 (three) months' written notice to the Board of Directors and the other members of the Supervisory Body.

The Supervisory Body will inform the Board of Directors about the resignation, inability to work, death, revocation or lapsing of a member of the SB.
The Board of Directors will take action without delay.
The Chairman of the SB or the longest-serving member must notify the Board of Directors promptly if any situations arise that require a member of the SB to be replaced.
On the resignation, inability to work, death, revocation or lapsing of the Chairman of the SB, that person will be replaced by the longest-serving member until the Board of Directors appoints a new Chairman of the SB.

2 Convocation and resolutions of the Supervisory Body

The Supervisory Body meets whenever deemed appropriate by the Chairman, or at least one member sends a written request to the Chairman.
The SB must meet at least every three months.
Meetings are called by the Chairman by e-mail without any formalities.
The meetings of the Supervisory Body are usually held at the headquarters of IRCA. However, the Supervisory Body is free to hold its meetings in any location, on condition that appropriate precautions are taken to ensure confidentiality.
Meetings can also be held by audio and/or video conference, on condition that this does not impede collegiate decision making or adversely affect the treatment or ability to contribute of the members of the Supervisory Body.
Meetings are deemed to have been called properly if they are attended by all members of the Supervisory Body, even if no formal convocation was issued.
Meetings of the SB are valid if attended by the majority of the appointed members and they are chaired by the Chairman, who may appoint a secretary from time to time.
Each member is entitled to one vote. Voting is public unless the SB determines otherwise.
Resolutions are valid if adopted by the majority of the members of the SB present at the meeting.
Minutes are taken of each meeting and signed by the Chairman; these minutes and the related resolutions adopted by the Supervisory Body are recorded in a minute book kept by the Chairman of the SB.
Members of the SB must abstain from voting if they have a conflict of interest with the matter addressed by the resolution.
Meetings held to discuss reports, assessments and/or proposed action in relation to a member of the SB cannot be attended by that member. In the event of failure to abstain as required, the resolution adopted is deemed invalid if the necessary majority would not have been reached without the vote of the member who should have abstained.

The SB prepares a summary report on its activities that is sent to the Board of Directors every six months.
If the SB identifies a need for the administrative body to correct and/or amend the Model, it sends that body as soon as possible a description of the action required and the related reasons.

3 Functions and powers of the Supervisory Body

The Supervisory Body is entrusted the task of supervising:

- compliance with the Model by Employees, Corporate Bodies, Consultants, Owners and Partners;
- the effectiveness and adequacy of the Model in relation to the organisational structure and its ability to prevent commitment of the offences identified therein;
- the need to update the Model following changes in corporate and/or regulatory conditions.

For this purpose, the Supervisory Body is also responsible for:

• updates:

a) recommending issue by the competent bodies or consortium functions of procedural instructions implementing the principles and rules contained in the Model;
b) interpreting the relevant legislation, checking the adequacy of the Model in relation to the regulatory requirements and informing the Board of Directors about possible areas for action;
c) assessing the need to update the Model and informing the Board of Directors about possible areas for action;
d) indicating to management appropriate improvements to the systems already used by IRCA to manage financial resources (both inflows and outflows), in order to identify any cash flows that are atypical or evidence of a greater margin of discretion than normally envisaged;
e) indicating to the Board of Directors the need to issue specific procedural instructions implementing principles contained in the Model that might not be consistent with those currently adopted by IRCA, while also ensuring coordination of the new and existing procedures.

• checks and controls:

a) checking periodically the map of offence risk areas in order align it with changes in legislation and the activities and/or organisation of the Company. For this purpose, management and the persons responsible for controls within each function must inform the SB about any situations that might expose IRCA to

the risk of committing offences. Such communications must always be made in writing;

b) checking periodically on implementation of the Model, possibly with assistance from external professionals, and in particular ensuring that the expected procedures and controls are in place and documented appropriately, and that the established ethical standards are respected. Note however that operational management is directly responsible for the performance of control activities, which are considered to be an integral part of each business process; accordingly, provision of the related training to personnel is important;

c) checking the adequacy and effectiveness of the Model in preventing the offences envisaged in the Decree;

d) checking periodically on specific operations or deeds carried out in the context of the sensitive activities, summarising the results in a report that must be discussed with the corporate bodies;

e) coordinating the exchange of information with other corporate functions in order to update the offence risk areas and:
   a. monitor their changes on an ongoing basis;
   b. check the various aspects involved in implementing the Model (definition of standard clauses, personnel training, organisational and regulatory changes etc.);
   c. guaranteeing that the corrective actions needed to ensure the adequacy and effectiveness of the Model are implemented promptly;

• training:

a) promoting initiatives for training on the Model and its dissemination; in particular, the SB or external consultants selected by the SB will hold specific training courses for employees and executives.

b) monitoring the initiatives taken to disseminate awareness and understanding of the Model and preparing the internal documentation, containing instructions for use, clarification and updates, needed for its effective implementation.
   In particular, the Model will be published on the website:
   www.zoppasindustries.com.

• reports on violations and penalties:

a) reporting any violations of the Model and Decree 231/2001 to the competent business function, the Chairman, the Deputy Chairman and the Managing Director and, as part of regular reporting activities, to the Board of Directors;

b) coordinating with management on the assessment and possible application of disciplinary measures;

c) indicating the most appropriate measures to take in order to remedy any violations.

4 General instructions

Given the tasks assigned, the Board of Directors is, in all cases, the only corporate body authorised to monitor the adequacy of the work performed by the Supervisory Body, as the Board of Directors has in every case ultimate responsibility for the functioning and effectiveness of the Model.

Without prejudice to any different, applicable and superior legal requirements, the Supervisory Body has full access - without need for any prior consent - to all IRCA functions in order to obtain all information and data deemed necessary for performance of the tasks envisaged in Decree 231/2001.

In addition to support from the entire IRCA organisation, the Supervisory Body may also obtain assistance - under its direct supervision and responsibility - from external consultants with specific professional skills in order to carry out the technical operations needed for control purposes. These consultants must always report the results of their work to the Supervisory Body.

With regard to the procedures for preparing the financial statements for submission to the Shareholders' Meeting, the Board of Directors must make financial resources available - based on a detailed plan of requirements and expenditures proposed by the Supervisory Body - to the SB for the proper performance of its tasks (e.g. specialist advice, travel etc.), which must report to the Board of Directors on how those resources were used.

As required by law, the Supervisory Body has independent powers of action and control in order to monitor the functioning of and compliance with the Model, but does not have powers to enforce or to make changes to the organisational structure or to discipline Employees, Owners, Consultants, Partners or Corporate Bodies. These latter powers are assigned to the competent bodies or business functions, in accordance with the protocols envisaged in the Model or the procedures referred to therein.

The Board of Directors has sole responsibility for determining the remuneration, promotion or transfer of members of the Supervisory Body, or for disciplining them.

5 Reporting by the Supervisory Body to top management

The Supervisory Body sends the following written reports to the Board of Directors:

- at the start of each year: plan of activities in order to carry out the assigned tasks;
- immediately: any significant problems identified during its work.

The Supervisory Body must also report to the Board of Directors, at the end of each year, on the implementation of the Model by IRCA.

The Supervisory Body may also communicate:

- the results of its work to the function and/or process managers, if any potential improvements have been identified. In this case, the Supervisory Body must

obtain an action plan from the process managers concerned, together with an implementation timetable for the improvements, together with details of the operational changes needed in order to implement them;
- conduct/actions that are not consistent with the Code of Ethics (Attachment IV, "Code of Ethics") or the established corporate procedures, in order to obtain all the information needed by the responsible units for the assessment and application of any disciplinary penalties, as well as for the avoidance of repetitions, and to make suggestions for the elimination of weaknesses.

The Board of Directors and the Managing Director may call the SB to meetings at any time. In the same way, the SB may - via the competent functions or persons - request meetings with the above bodies for urgent reasons.

6 Information flows to the Supervisory Body: general information

The Supervisory Body must be informed on a timely basis, via reports from parties required to comply with the Model, about deeds, conduct and events that might give rise to responsibilities for IRCA pursuant to Decree 231/2001.

The following general instructions are applicable in this regard:
- Employees and the Corporate Bodies must notify the Supervisory Body about any violations committed by any party, detailing in particular information about:
  a) the commitment, or reasonable risk of commitment, of offences (and illegal administrative deeds) that affect the administrative responsibility of organisations;
  b) conduct that, in any case, might result in violation of the Model.
- • the disclosure of information about any conduct contrary to the instructions contained in the Model is part of the broader duty of diligence and loyalty of IRCA Employees;
- Consultants, Owners and Partners must report violations (or alleged violations) of the Model to the extent and on the basis envisaged in their contracts;
- the Supervisory Body assesses the reports received; any consequent measures are applied in compliance with the chapter entitled "The disciplinary system". The Supervisory Body is not obliged to consider anonymous reports that do not contain reasonable elements of truth and relevance regarding implementation of the Model;
- the identity of those presenting reports in good faith will be kept confidential;
- in addition to the reporting of general violations described above and on condition that the deeds or facts are relevant to the activities of the Supervisory Body, the SB must be informed immediately, without fail, about:

a) measures and/or information from the court police or any other authority that indicates the existence of investigations, even if in relation to unknown perpetrators, for offences that might involve IRCA, its Employees or members of the Consortium Bodies;
b) requests for legal assistance sent to the organisation by Employees, pursuant to the national collective employment contract, if court proceedings are commenced against them;
c) any reports prepared by the managers of other corporate departments as part of their control activities that might identify facts, deeds, events or omissions that may be critical in terms of compliance with the provisions of Decree 231/2001;
d) information about the disciplinary proceedings held and any penalties applied (including measures against Employees), or about closures of the proceedings and related reasons, if they related to the commitment of offences or violations of the rules of conduct or the procedures specified in the Model;
e) any anomalies or atypical elements contained in the information available (a fact considered alone might not be significant, but could be more important if repeated or the area in which it occurred is broadened).

The Supervisory Body may also identify other information that must be communicated, in addition to that described above.

The obligations of the above persons to provide information are satisfied by the following information flows:

- reports;
- communications.

The parties required to make the information flows must refer to all of the information contained in the Attachment entitled “Information flows to the Supervisory Body”.

7 Collection and retention of information

All information and reports envisaged in this Model are retained by the Supervisory Body in a database (IT and/or hard copy) for a period of 10 years. Members of the Board of Directors are allowed access to this database, unless it relates to investigations against them, in which case authorisation from the Board of Directors is required unless that access is in any case guaranteed by current legislation.
The documentation concerning Sensitive Processes envisaged in the Model and/or the related operational procedures (e.g. interviews, gap analyses etc.) is also retained by the personnel concerned for a period of 10 years.

8 Training of resources and dissemination of the Model

In order to ensure the effectiveness of this Model, IRCA seeks to guarantee that current employees and new hires have a proper knowledge of the established rules of conduct, with different levels of understanding that reflect their different levels of involvement in the Sensitive Processes.

The information and training system is supervised and supplemented by the activities in this field of the Supervisory Body, in collaboration with the managers of the functions involved from time to time in the application of the Model.

The Chairman/Managing Director notifies the adoption of this Model to all IRCA Employees at the time of adoption, by sending them the related information by email. This email will also be sent to future new recruits.

The training provided in order to disseminate awareness of the provisions of Decree 231/2001 varies, in terms of content and method of delivery, depending on the grade of the recipients, the level of risk in the areas in which they work, and whether or not they represent IRCA in the performance of their duties.

The principles and content of the Model are also drawn to the attention of all parties that, albeit not employee of IRCA, work on behalf of the Company, providing services in its interests, as external collaborators, agents, sales representatives, suppliers, contractors, sub-contractors, firms that commission IRCA to perform work or other parties with contractual relations with the organisation that involve performing work on behalf of or for the benefit of IRCA. The commitment of the above parties to comply with the law and the principles specified in the Model must be evidenced by a specific clause in their contracts.

This clause must also entitle IRCA to apply forms of self protection (e.g. contract termination, application of penalties etc.) if violations of the principles and content of the Model are detected.

9 Verification of the adequacy of the Model

In addition to constant supervision of the effectiveness of the Model (by checking the consistency of the actual conduct of recipients with the Model), the Supervisory Body also carries out periodic checks on the ability in practice of the Model to prevent offences. This work involves sample checks of the principal corporate deeds and most significant contracts or deeds completed or carried out by IRCA, in relation to the Sensitive Processes and to their conformity with the rules established in this Model. The checks are carried out by the Supervisory Body, usually with support from the other internal functions needed from time to time for this purpose.

These checks and their outcome are reported to the Board of Directors, pursuant to and in the manner envisaged in this Regulation. In particular, if the Model is found to be inefficient, the Supervisory Body will recommend the improvements to be implemented, pursuant to and in the manner envisaged in this Regulation.

ANNEX

III.A

MEMBERS OF THE SB

The following persons are members of the SB: Marco Zanon, Roberto Baggio, Marta Dalla Cia; they all satisfy the requirements for professionalism, skill, independence and functional autonomy.

The Chairman, Marco Zanon, arranges to complete the formalities for calling meetings, establishing the agenda for discussion and moderating the meetings held on a collegiate basis.

Appointment to the Supervisory Body has been communicated to and formally accepted by each appointed member.

The email address of the SB is: odv@ext.zoppas.com.

ANNEX IV

CODE OF ETHICS

1 INTRODUCTION

1.1 Guiding principles

I.R.C.A. S.p.A. Industria Resistenze Corazzate e Affini (hereinafter, IRCA) has always worked with integrity, in compliance with the laws and regulations in force, as well as with moral values. These are essential for an organisation whose ultimate goal is to operate, always and regardless, in a fair and honest manner, respectful of the dignity of others and without any discrimination against individuals based on their gender, race, language, personal circumstances or religious or political beliefs.

In this light, IRCA intends to comply with the principles established in Decree 231/2001 by adopting the Organisation, Management and Control Model whose highest expression is found in this Code of Ethics, which is therefore an integral and essential part of the Model.

1.2 Recipients

This Code of Ethics contains the fundamental ethical principles that guide IRCA in the conduct of its institutional activities.

These principles specify with examples the duties and obligations of diligence, integrity, propriety and loyalty that characterise the activities of the organisation, both in relations with third parties and within the internal working environment.

For this reason, the provisions of the Code of Ethics are binding on all those linked to IRCA by partnership-style relationships or by employment or near-employment relationships of any kind, as well as on all those that act in the interests, in the name or on behalf of the organisation, all of whom are collectively referred to below as “Collaborators”.

IRCA is committed to ensuring, via suitable means, that all Collaborators are aware of the principles contained in this Code of Ethics.

Third parties that work with IRCA are also requested to conduct themselves in accordance with the provisions of this Code of Ethics. IRCA strives to make known and disseminate the contents of this Code of Ethics among its customers, suppliers and third parties in general.

2 FUNDAMENTAL ETHICAL PRINCIPLES

2.1 Compliance with laws and regulations

IRCA works in compliance with all laws and regulations in force from time to time.
Collaborators must therefore avoid any conduct in violation of laws and regulations and, in their actions, must always consider integrity to be a duty of all those who collaborate with IRCA.
Faced with uncertainty, Collaborators must obtain the information needed to ensure that their activities comply with the law.
They must abstain from action if it is not possible to determine with certainty that their activities are legal.
Collaborators are also required to comply with all the internal organisational and management procedures applied and with their implementations duly communicated to them by IRCA.

2.2 Impartiality

IRCA works in accordance with the principle of impartiality.
Collaborators must therefore always base their work on the principle of impartiality.
It is forbidden to behave in a manner that discriminates against other parties or that even merely appears to be discriminatory.

2.3 Honesty, integrity, loyalty

IRCA carries out its activities, via its Collaborators, with integrity and in accordance with best business practice, especially with regard to financial relationships and negotiations with third parties.
All the business activities of parties working in the interests of IRCA must be carried out with honesty, integrity and loyalty, both in relation to third parties and with regard to the other Collaborators of IRCA.
Conduct that does not comply with these principles is not allowed for any reason, not even if the perpetrator claims as justification to have acted in the interests of IRCA.

2.4 Respect for and protection of individuals

IRCA makes respect for individuals central to its activities.
In this light, the organisation guarantees the physical and moral integrity of its Collaborators, who must be free to act in accordance with the guiding principles of this Code of Ethics.
IRCA aims to achieve the creation of a more balanced and heterogeneous leadership and for this reason gender contributions are fairly valued in the internal

decision-making processes of the organisation. Creating a culture of gender equality is the basis of IRCA's Human Capital strategy, which is essential for ensuring, in addition to the enhancement of people, an excellent performance based on talent and long-term sustainability.

IRCA requires its Collaborators to act with the most rigorous professional and ethical propriety in their relations with other Collaborators and with Partners.

Collaborators are also considered responsible for the performance of the organisation and its reputation for commercial and operational propriety. They are therefore expressly and rigorously requested to abstain from any conduct that might be detrimental in this regard.

2.5 Respect and protection of human rights

IRCA places the respect and protection of human rights at the heart of its activities and promotes this principle also in relations with its Partners.

IRCA protects individual freedom, in all its forms, and repudiates all types of discrimination, violence, forced or child labour.

The Company's prerogatives are the recognition and protection of the dignity, freedom and equality of human beings, the protection of work and trade union freedoms, health and safety, as well as the system of values and principles regarding transparency and sustainable development, as laid down by the Institutions and International Conventions.

Within this framework, IRCA promotes a policy aimed at concretely applying the Universal Declaration of Human Rights, approved by the General Assembly of the United Nations on 10 December 1948, which applies directly to today's world of work and represents the keystone of the Principles of Human Rights of the UN Global Compact, the Fundamental Conventions of the ILO, the OECD Guidelines for Multinational Enterprises and the principles established by the United Nations Global Compact.

2.6 Confidentiality

All information about: (i) ownership, (ii) Partners, (iii) strategies and programmes; (iv) the organisation; (v) financial management and operations and/or (vi) anything related to the activities of IRCA is the sole and exclusive property of IRCA.

Collaborators are forbidden to use confidential information for purposes other than the performance of their own work.

Collaborators must in all cases maintain the confidentiality of the information learned during their work for the organisation, whose communication and dissemination is only allowed if expressly authorised in advance, without prejudice to any relevant legislative requirements.

Collaborators are also required to adopt all measures and/or safeguards to prevent the improper use of confidential information by third parties.

2.7 Prevention of conflicts of interest

IRCA works to avoid situations where the parties involved in the transactions are, or may appear, in a conflict of interest.

Collaborators are required to avoid all situations involving actual or even just potential conflicts of interest.

Similarly, Collaborators must avoid dealings with those that have a conflict of interest with the party in whose name and on behalf of which they act, if that situation is known to them.

In this light, Collaborators are reminded that the mere existence of even just a potential conflict of interest would not only damage the image and reputation of IRCA, but also their ability to make decisions in the interests of the organisation.

A conflict of interest arises when an external interest is different, even to the smallest extent, to the interests of IRCA. By way of example, this could arise from any relationship, agreement or situation that reduces or interferes with the ability of the Collaborators of IRCA to make decisions in the interests of the organisation.

In particular, Collaborators must not have any economic interest that might conflict with their duties and/or roles within the IRCA organisation and must not seek any improper advantage for themselves or others by the abuse of their position, the offer or acceptance of benefits via or by members of their own family or persons howsoever associated with them, or otherwise.

In order to prevent situations involving conflicts of interest, all Collaborators of IRCA are required to report to their superiors or to the Supervisory Board the existence of any actual or potential conflicts of interest.

With the exception of limited activities for social organisations (school committees, local sports associations, residents' associations), any positions of responsibility offered to Collaborators, including those involving non-executive duties or the supervision of commercial initiatives on non-profit entities, must be referred for examination and approval by the competent bodies within IRCA.

2.8 Fair competition

In the context of an approach founded on the integrity of conduct, IRCA believes that the value of free and fair competition must be safeguarded without reservation.

For this reason, the Collaborators of IRCA must abstain from conduct and behaviour that might be deemed to represent unfair competition.

2.9 Prevention of corruption and extortion

IRCA undertakes to implement all the necessary measures to prevent and avoid acts of corruption, bribery, fraud, swindling and other unlawful conduct which constitute crimes envisaged by Decree 231/2001.

It is forbidden to offer or to induce the offer of money, gifts or remuneration of any kind (including employment or consultancy appointments or the promise of employment or appointments, or discounts or more favourable conditions for the purchase of IRCA products) that might reasonably be interpreted as extending beyond normal courtesy, to apply illegal pressure or to promise any object, service, action or favour to public officials, providers of public services, executives, officials or employees of the Public Administration or of agencies that provide public services under concession, or to their close relatives or household members, whether in Italy or in other countries.

Should the Company be represented by consultants or third parties in dealings with the Public Administration or agencies that provide public services under concession, those parties must accept in writing all the rules of this Code of Ethics.

The Company must not be represented in dealings with the Public Administration or agencies that provide public services under concession by Collaborators that might have a conflict of interest with them.

During business negotiations, applications or commercial relations with the Public Administration or agencies that provide public services under concession, it is forbidden to ask for or obtain confidential information that might compromise the integrity or reputation of either or both parties.

It is strictly forbidden to present false declarations to domestic or international public bodies in order to obtain public funds, grants or assisted loans, or to obtain concessions, authorisations, licences or other administrative deeds.

It is forbidden to divert amounts received from domestic or EU public bodies as funds, grants or loans for purposes other than those for which the amounts were assigned.

It is forbidden to alter the functioning of computer or electronic communications systems belonging to the Public Administration or to manipulate the data held on those systems in order to obtain an unjust profit.

2.10 Environmental protection

IRCA is committed to safeguarding the environment, having as an objective the continuous improvement of its products, processes and environmental and energy-related performance.

To this end, the commitments of IRCA include:

- respect for the legislation and regulations of the countries in which it operates and of the EU, both with regard to the environmental performance of its production processes and to the environmental performance and safety of its products;

- the implementation, maintenance, development and enhancement of the Environmental Management System;
- prevention of pollution risks and reduction of the environmental and energy-related impact of its products and production processes;
- pursuit of innovative plant engineering technologies and techniques that lower the environmental impact;
- the dissemination of a culture of environmental protection.

IRCA encourages and stimulates, via the provision of information and training, active participation in the implementation of these principles by its Collaborators and all Recipients of the Model.

In particular, each Collaborator:

- is responsible, to the extent of the activities that relate to him/her, for the proper application of the principles of the Environmental Management System, and he/she must comply with all laws, regulations, corporate procedures and instructions given to them;
- must adapt his/her business conduct and decisions in order to avoid, to the extent possible, any risks for him/herself, for others or for the environment.

2.11 Protection of health and safety in the workplace

IRCA undertakes to create and maintain a work environment that protects the psycho-physical integrity of its Collaborators through compliance with current legislation on the subject of health and safety at work.

2.12 Data and Information Protection

IRCA aims to handle data and information in its possession with an adequate level of confidentiality and undertakes to comply with the provisions on the protection of personal data, in order to respect the privacy of the parties with whom the company interacts (including, above all, employees and collaborators, customers, Partners and suppliers).

The Company therefore protects the confidentiality of the information it owns which constitutes a corporate asset, or in any case the information or personal data of third parties in its possession, strictly observing the current legislation on the protection of personal data.

3 RULES OF CONDUCT

3.1 Rules of conduct in relations with Collaborators

3.1.1 Policies for the selection of Collaborators

Collaborators are selected solely with reference to the professional skills and abilities of the candidates, having regard for the roles that IRCA needs to fill in a suitable manner. In this light, IRCA selects Collaborators in full compliance with the principle of equal opportunity without discrimination of any kind and avoiding any form of favouritism or cronyism, in compliance with the relevant current regulations.
All Collaborators are required to keep up to date professionally, in order to obtain ever greater skills and knowledge that enable them to perform their roles fully effectively, both for themselves and for IRCA.
All Collaborators are required to know the internal procedures and protocols adopted by IRCA.

3.1.2 Treatment of Collaborators

In its relations with Collaborators, IRCA arranges and works to maintain constantly all the conditions necessary for the professional skills and abilities of each individual to be enriched and developed steadily in the best possible way.
IRCA selects and distributes tasks to Collaborators with reference to their qualifications and skills, without discriminating among them in any way.
This policy applies to all measures taken in relation to Collaborators, including their recruitment, hiring, grading, promotion and dismissal, as well as the management of bonuses, training and education, social and recreation programmes.

3.1.3 Protection of the dignity of Collaborators and prohibition of discrimination

Consistent with the ethical principles that characterise its activities, IRCA ensures the moral protection of its Collaborators, guaranteeing them working conditions that respect the dignity of each individual.
Accordingly, it is forbidden to apply any form of pressure, or use violence or threats, to induce individuals to act in violation of the law or the principles contained in this Code of Ethics. For this reason, IRCA:

- does not tolerate conduct in the workplace that is violent, threatening, psychologically oppressive or, in any case, damaging to the moral well-being of individuals;
- does not tolerate conduct in the workplace that amounts to sexual molestation of any kind, regardless of its nature or gravity;

- does not allow discriminatory and offensive behaviour against the dignity of others in the workplace for reasons of race, ethnicity, sexual orientation, age, religious faith, social class, political opinions, state of health.

3.1.4 Compliance with the Privacy legislation in relations with Collaborators

IRCA strives to safeguard respect for the Privacy of information about the private lives and opinions of each Collaborator and, more generally, of those who interact with the organisation.

In addition to compliance with the relevant current regulations, respect for Privacy is also guaranteed by excluding the exercise of any form of control over Collaborators that might be deemed damaging to the individual.

The personal information collected by IRCA about its Collaborators for business reasons cannot be communicated or disseminated without the consent of the interested party, except in the cases envisaged by the current regulations governing the protection of personal data.

3.1.5 Safeguards for the working relationship

All the activities of IRCA must show respect for human rights, employment laws, the health and safety of individuals and the well-being of the local communities in which IRCA operates.

IRCA does not tolerate child labour and, in any case, forced labour and undertakes to guarantee the protection of maternity and paternity, as well as the protection of people in disadvantaged conditions.

IRCA undertakes to guarantee its Collaborators salaries equal to or higher than the level prescribed by the applicable legislation.

Working hours are determined in full compliance with the regulations and collective contracts in force from time to time and, in all cases, ensure a proper balance between working hours and free time.

IRCA recognises the right of Employees to form or join trade unions or other collective bargaining organisations, as well as to refrain from joining such organisations.

To protect health and safety in the workplace, IRCA constantly monitors the safety of the workplace and the salubrious nature of the working environment, taking all appropriate technical and organisational measures that may be necessary in order to ensure the best working conditions.

3.2 Rules of conduct for relations with Partners and other third parties

3.2.1 Fair competition

IRCA competes fairly in the marketplace, complying with the competition laws and regulations intended to facilitate the development of free competition. All Collaborators are therefore required to comply scrupulously with the rules governing fair competition and anti-trust behaviour.

If Collaborators are unsure whether or not their conduct complies with the principles of free competition, they must ask IRCA for information, inform their superior and refrain from taking action until it is certain that there is no danger of impeding free competition in the marketplace.

3.2.2 Gifts and benefits

IRCA pursues its entrepreneurial objectives solely via the quality of the services provided and its entrepreneurial skill. In this sense, the organisation does not allow Collaborators to offer/receive presents or gifts to/from parties with which they maintain business relations on behalf of IRCA, if their value or the specific circumstances might raise even just a suspicion that they are intended to distort proper commercial practice.

It is forbidden in all cases to give gifts to public employees, public officials and persons that provide public services.

Collaborators must never take advantage of their professional position to obtain personal benefits from customers or suppliers.

All requests/offers of cash or improper benefits must be rejected immediately and referred by the Collaborators concerned to the competent bodies within IRCA.

3.2.3 Selection of Partners

When selecting Partners, IRCA is guided by the principle of maximum competitive advantage combined with maximum quality, avoiding any form of discrimination and allowing each partner that satisfies the requirements to compete for the signature of contracts with the organisation.

IRCA reserves the right not to maintain relationships with Partners who, in carrying out the activity, should adopt any conduct that is not in line with that envisaged in this Model and in the Suppliers' Code of Conduct.

3.3 Rules of conduct for relations with the Public Administration and other parties representing the public interest

3.3.1 Relations with the Public Administration

Business relations between the Collaborators of IRCA and parties belonging to the Public Administration, whether they be public officials or the providers of public services, must be founded on the maximum transparency and compliance with the law, the principles laid down in the Model, including the Code of Ethics, and the internal procedures and protocols of IRCA.

It is forbidden in all cases to give gifts to public employees or accept gifts from them.

IRCA must never be represented in relations with the Public Administration by third parties that have conflicts of interest.

3.3.2 Relations with political organisations and trade unions

IRCA does not favour or discriminate against any political or trade union organisation.

IRCA does not make any economic or other contributions, whether directly or indirectly, to political parties or organisations, trade unions or their representatives.

3.3.3 Relations with the press and other media

All Collaborators of IRCA must refrain from making declarations about the organisation to representatives of the press or other media.

Communications of public interest about IRCA to the information media are made solely by the competent bodies within IRCA.

4 RULES OF CONDUCT FOR COLLABORATORS

4.1 Respect for company assets

All Collaborators are required to protect the assets of IRCA from abuse and needless waste.

No Collaborator may make photographic, video or audio recordings at IRCA or a Customer's premises, except as regulated and authorised by the company.

4.2 Compliance with IT regulations

Collaborators must comply with the provisions of the IT Regulations adopted by the Company, use email for strictly business purposes, not use Internet by browsing in a manner that differs from the company provisions in force from time to time and, in any case, not accessing content generally considered obscene or otherwise unorthodox for any reason.

Software can only be used if it has been authorised in advance by IRCA.

The use of unlicensed or illegal software is strictly forbidden. Corporate policy is founded on full respect for the copyrights of others and on use of the software licensed to IRCA in accordance with the agreed terms and conditions.

4.3 No competition

The Collaborators of IRCA are not allowed to accept appointments as executives, employees or promoters of the interests of competing organisations, except as permitted by current regulations and by the collective and individual contracts signed between the organisation and each individual Collaborator.

4.4 Obligation of confidentiality

The Collaborators of IRCA must not use, disseminate or communicate to third parties, or to the customers or suppliers of IRCA, any news, data or information about the Organisation that was obtained as a direct or indirect result of their work on behalf of the Organisation.

IRCA also requests its Collaborators to keep confidential any news, data or information obtained during or at the time of their work on behalf of the organisation that, given its private and/or confidential nature, need not be used in the interests of the organisation.

5 MANAGEMENT OF INFORMATION

5.1 Transparency and truth of information

Any information provided about IRCA for internal use within the organisation or for external recipients must be true, accurate, complete and clear.

In this light, accounting information must be recognised and recorded on a timely basis and supported by suitable documentation.

Anyone becoming aware of the falsification of accounting or other information must inform their superior and the Supervisory Body.

5.2 Accounting documents and records

The accounting records and related supporting documentation must accurately describe and reflect the nature of the transactions to which they relate.

IRCA is obliged to comply with the accounting rules and procedures defined by the Region and the sector regulations.

Accordingly, the above records must not contain entries that are false or misleading in any way.

Full and complete information must therefore be given to the auditors and accountants that supervise and assist IRCA in its activities.

5.3 Retention of documents

The documents used to carry out activities in the interests of IRCA must be retained and filed.

The Collaborators of IRCA must never arbitrarily destroy or modify any documents used in their working activities.

In the event of doubt about the methods of processing and retaining documents, Collaborators must ask the responsible functions for the necessary information.

6 IMPLEMENTATION INSTRUCTIONS

6.1 Application of the Code of Ethics

IRCA promotes the dissemination of and awareness about the Code of Ethics among all Collaborators and Consortium members and requests them to promote, in turn, the principles contained in the Code to all Partners and third parties in general.

Collaborators are required to be aware of the contents of the Code of Ethics, to request information about its contents whose interpretation may be unclear, to collaborate with its dissemination and implementation, and to report any weaknesses or violations of the Code of Ethics that come to their attention.

IRCA protects all Collaborators that contribute to the implementation of this Code.

IRCA works to ensure that no Collaborators suffer from reprisals, illegal pressure, discomfort or discrimination of any kind for having implemented the principles of the Code of Ethics, drawn the attention of other parties to them or reported to the Supervisory Body any violations of the provisions of the Code of Ethics or the internal procedures.

IRCA guarantees the full applicability of the provisions contained in the Code of Ethics. For this purpose, should any potential violations of the Code of Ethics be reported or identified, IRCA will immediately carry out the necessary checks and, if confirmed, will apply the appropriate penalties described in the Model.

In the context of its audit and prevention function, the Supervisory Body must monitor constantly compliance with the rules and principles contained in the Code of Ethics.

6.2 Violations of the Code of Ethics

Any confirmed violations of the principles and rules contained in the Code of Ethics will be pursued by IRCA in a suitable and timely manner, with appropriate penalties that are commensurate with and proportional to the gravity of the violation committed, regardless of whether or not criminal proceedings are initiated for conduct in violation of the Code of Ethics that also represents a crime.

Collaborators, Partners and, more generally, all those that have relations with IRCA must be fully aware that IRCA punishes with suitable measures, described above, any conduct that does not respect the rules and principles of the Code of Ethics. To this end, the organisation arranges to disseminate awareness of the contents of this Code via all means deemed suitable.

IRCA reserves the right not to maintain relations with Collaborators, Partners and third parties in general that do not intend to work in rigorous compliance with current regulations, and/or that refuse to conduct themselves in accordance with the values and principles envisaged in the Code of Ethics.

6.3 Update of the Code of Ethics

IRCA will update this Code periodically in order to ensure its full applicability and responsiveness to the practical situations in which its Collaborators operate.

The Supervisory Body is required to check that the results obtained by applying the Code of Ethics are appropriate in relation to the objectives, reporting promptly to the competent bodies the need for, or just the beneficial nature of, any recommended changes.

Lastly, it is noted that the provisions of the Code of Ethics apply to all matters not expressly governed by the provisions of the Model and the corporate procedures referred to earlier. In all cases, should even just one of the precepts expressed in the Code of Ethics conflict with the provisions of the internal regulations or corporate procedures, the contents of the Code of Ethics shall take precedence.

6.4 Management of information

Each person must be an active part in promoting the values of the Code of Ethics. With this in mind, therefore, any Recipient who becomes aware of a breach of the principles of the Code of Ethics is required to report it as provided for by the procedure “WHISTLEBLOWING – PROCEDURE FOR REPORTING OFFENCES and IRREGULARITIES”, attached to the Organisational Model under Annex VI.

Whatever the channel used, IRCA undertakes to safeguard the anonymity of the whistleblower and to ensure that the same is not subject to any form of retaliation.

ANNEX V

DISCIPLINARY CODE

A National Collective Employment Contract (CCNL) for engineering workers in the private sector – Title VII (internal relations).

Art. 1. – Internal relations.

At work, employees report to their designated supervisors, as envisaged in the organisation chart. Relations between workers at all levels of responsibility within the organisation are founded on mutual respect and politeness. In harmony with the dignity of each, superiors establish collaborative and urbane relations with the persons who work for them. Annoying, offensive and insistent conduct is avoided, especially when sexual in nature and designed to cause individuals significant discomfort and even to subordinate changes in their working conditions to the acceptance or rejection of said behaviour. In order to prevent the above conduct, companies will adopt the initiatives proposed by the National Commission for Equal Opportunities, pursuant to Section 1, art. 5, point 5.1, letter e). The company will ensure that workers do not have to deal with ambiguity in their relations with their direct superiors and with others who they must contact in case of need and whose instructions they must obey. The company must also inform the workers concerned about the names and specific duties of the persons responsible for monitoring their working activities. Workers must respect the established working hours and comply with the established formalities for checking attendance. It is expressly forbidden to make changes or deletions on the clock card, use that of another worker or attempt in any way to alter the information on the attendance clock, or to deliberately alter the clock card.

Workers who do not clock on properly will be deemed late, and absent if they cannot demonstrate their presence in the workplace. Workers must perform the tasks assigned to them with due diligence, in accordance with the provisions of this Contract and the instructions from their superiors, taking care of the premises and everything entrusted to them (furniture, equipment, machines, tools, instruments etc.) and taking responsibility for any losses or damage they may cause through fault or negligence, as well as for any arbitrary changes made by them to the objects concerned. Any damage must be assessed in an objective manner and the amount notified to the worker before being charged. The amount of the above losses and damage may be deducted in instalments from the remuneration of the persons concerned, each not exceeding 10 percent of their periodic remuneration. If the working relationship is terminated, the amount outstanding will be deducted from the payments due to the worker concerned, without prejudice to the provisions and

limits established by law. Workers must maintain absolute secrecy about matters of interest to the company; furthermore, they must not profit from their duties to the detriment of the employer, act against the interests of the company or, after having left the company, take advantage of information obtained during their employment in order to compete unfairly. Any agreements that limit the professional activities of workers for a period of time following the termination of their employment are governed by art. 2125 of the Italian Civil Code. Violations of these instructions, as envisaged in arts. 8, 9, 10 below, will result in disciplinary action that may include dismissal for the violations described in art. 10.

Art. 8. – Disciplinary measures.

Failure by workers to comply with the instructions contained in this Contract may, depending on how serious, result in application of the following measures: a) verbal warning; b) written warning; c) fine not exceeding three hours of remuneration, calculated at the official minimum rate; d) suspension from work without remuneration for a maximum of three days; e) dismissal for the violations described in art. 10. The employer may not take any disciplinary action against workers without have first explained the charges to them and having heard their defence. Except in the case of verbal warnings, all charges must be made in writing and the related disciplinary measures may not be applied until 5 days have elapsed, during which the workers concerned may present their justifications. If the measures are not applied within 6 days of receiving the above justifications, the latter are deemed to have been accepted.

Workers may present their justifications verbally or in writing and may be assisted by a representative of their trade union or of the combined trade unions. Application of the measure must be explained and notified in writing. The disciplinary measures described in letters b), c) and d) above may be challenged by the workers concerned via their trade unions, in accordance with the contractual rules governing disputes. Dismissal for the violations described in points A) and B) of art. 10 may challenged in accordance with the procedures envisaged in art. 7 of Law 604 dated 15 July 1966, as confirmed by art. 18 of Law 300 dated 20 May 1970. No account whatsoever is taken of disciplinary measures after two years have elapsed from their application.

Art. 9. – Written warnings, fines and suspensions.

Workers may receive written warnings, fines or suspensions if: a) they do not go to work or leave their workplace without good reason or do not explain their absence within one day of the start of that absence, except if an impediment is justified; b) they start work late or suspend or stop work without good reason; c) their conduct is mildly insubordinate; d) they carry out the work entrusted to them negligently or are deliberately slow; e) they damage factory or production materials as a result of carelessness or negligence; f) they are found to be obviously drunk during working

hours; g) outside of the company, they carry out company work for third parties; h) they contravene the ban on smoking, if applied and indicated by a specific sign; i) outside of working hours, they use the company workshop and equipment to do small work for themselves or others without using company materials; l) they violate this Contract in any other way or do anything that prejudices the discipline, morale, hygiene or safety of the factory. Written warnings are issued for minor violations; fines and suspensions are issued for more significant violations. Fines do not represent the reimbursement of damages and are contributed to any existing company social security and support institutions or, in their absence, to the Sickness Fund.

Art. 10. – Dismissal for violations.

A) Dismissal with notice. Workers are dismissed with notice following disciplinary violations and lack of diligence that, although more significant than those envisaged in art. 9, are not serious enough for application of the penalty envisaged in letter B). Examples of the above violations by workers include, without limitation: a) insubordination; b) significant negligent damage to factory or production materials; c) performance within the company without consent of limited work for themselves or others, without using company materials; d) brawling in the factory, but not in the production departments; e) leaving their post by persons specifically responsible for security, safekeeping or control activities, except as envisaged in point e) of letter B) below; f) unjustified absence for more than 4 consecutive days or absence repeated three times in one year on the day after public holidays or vacation; g) definitive sentencing to prison of workers for actions unrelated to their employment that reduce their moral standing; h) repetition of any of the violations envisaged in art. 9, after the application of two suspensions pursuant to art. 9, without prejudice to the provisions of the final paragraph of art. 8. B) Dismissal without notice. Workers are dismissed without notice if they cause serious moral or material damage to the company or if, in the performance of their work, they carry out actions that represent a crime punishable by law. Examples of the above violations by workers include, without limitation: a) serious insubordination; b) theft from the company; c) pilfering sketches or drawings of machines, tools or other objects or documents belonging to the company; d) deliberate damage to company or production materials; e) leaving their post in a manner that prejudices the safety of persons or factory installations or taking action with the same adverse effects; f) smoking where this may prejudice the safety of persons or factory installations; g) performance within the company without consent of non-trivial work for themselves or others and/or using company materials; h) brawling in production departments.

B Failure to comply with the procedures specified in the Model required by Decree 231/2001

Having regard for the specific nature of the violations and the related penalties, IRCA intends to make all Employees aware of the instructions and rules of conduct contained in the Model and all its attachments, the violation of which represents a disciplinable misdeed, together with the penalties that apply based on the seriousness of the misdeeds concerned and without prejudice, in all cases, to the applicability of the provisions of part A) above of this Disciplinary Code:

1) unless the conduct represents a more serious violation, workers may receive the written warning envisaged in art. 9 of their CCNL if they violate the procedures envisaged in the Model or behave, in the performance of Sensitive Processes, in a manner that does not comply with the requirements of the Model;
2) unless the conduct represents a more serious violation, workers may receive the suspension from work without remuneration envisaged in art. 9 of their CCNL if, in violating the procedures envisaged in the Model or behaving, in the performance of Sensitive Processes, in a manner that does not comply with the requirements of the Model, they cause losses for IRCA, or if they repeat the violations indicated in point 1) above within two years. If executives were responsible for that violation, they will be dismissed with notice unless the conduct represents a more serious violation;
3) unless the conduct represents a more serious violation, workers may be dismissed with notice pursuant to art. 10 of their CCNL if they behave, in the performance of Sensitive Processes, in a manner that does not comply with the requirements of the Model and is clearly intended to commit an offence punished by Decree 231/2001. If executives were responsible for that violation, they will be dismissed without notice;
4) workers may be dismissed without notice if they behave, in the performance of Sensitive Processes, in a manner that does not comply with the requirements of the Model and actually results in IRCA being punished pursuant to Decree 231/2001, or if they repeat the violations indicated in points 1) and/or 2) above more than three times in one year. Such conduct irreversibly destroys the trust of IRCA in the workers concerned, representing a serious moral and/or material loss for the organisation.

ANNEX VI

OPERATING PROCEDURE ON THE WHISTLEBLOWING POLICY

1 Foreword

The purpose of this procedure is to give concrete implementation to the regulatory provisions laid down on the protection of persons who, in the work context, report breaches of Union law or violations of national regulatory provisions, pursuant to the provisions of Legislative Decree No. 24/2023 transposing (EU) Dir. No. 2019/1937.

Legislative Decree No. 24/2023 has lastly transposed EU Dir. No. 2019/1937 by introducing new measures for 'the protection of persons who report breaches of Union law and laying down provisions concerning the protection of persons who report breaches of national laws'.

2 Publicity of this procedure

This procedure, together with the form for making reports (annexed to this procedure) and the personal data protection notice, is made available and made known by means of publication on I.R.C.A. S.p.A. (hereinafter also "Company" or "Organization") intranet and notice boards, as well as on the Company's website in a dedicated section.

3 Purpose and scope of the procedure

The objective pursued by this procedure is to describe and regulate the process of reporting violations of unlawful acts or irregularities, providing the whistleblower with clear operational indications on the subject, contents, recipients and means of transmission of reports, as well as on the forms of protection provided by the Company in compliance with the regulatory provisions.

This procedure has also the aim to regulate the modalities of ascertaining the validity and grounds of the reports and, consequently, to take the appropriate corrective and disciplinary actions to protect I.R.C.A. S.p.A.

In any case, this procedure is not limited to regulating reports coming from the persons referred to in Article 5(a) and (b) of Legislative Decree No. 231/2001, but all reports of unlawful conduct referred to in Legislative Decree No. 24/2023, also coming from collaborators or other persons.

This Procedure does not apply to communications of commercial nature or to information of a merely deleterious nature, which do not relate to the breaches indicated in Legislative Decree 24/2023. This Procedure does also not apply to objections, claims or requests linked to an interest of a personal nature of the reporting person or of the person lodging a complaint with the judicial or accounting Authorities, which relate exclusively to his or her individual employment relationships, or inherent to his or her employment relationships with hierarchically superior figures, and to reports concerning national security or contracts relating to defence and national security, unless the latter are covered by European Union law.

4 Protected subjects in the reporting process

The persons protected in the reporting process are the whistleblowers, i.e. all employees of I.R.C.A. S.p.A., both with permanent and fixed-term employment contracts.

In addition to these are collaborators, whatever their employment relationship with I.R.C.A. S.p.A., temporary workers and workers of companies supplying goods or services or of companies carrying out works in favour of the Organization. The regulatory protection measures provided for whistleblower also apply:

- to facilitators;
- to persons of the same work environment as the whistleblower, the person who has filed a complaint with the judicial or accounting authorities or the person who has made a public disclosure and who are linked to them by a stable emotional or kinship link up to the fourth degree;
- to co-workers of the whistleblower or of the person who has filed a complaint with the judicial or accounting authorities or made a public disclosure, who work in the same work environment as the whistleblower and who have a habitual and current relationship with that person;
- to entities owned by the whistleblower or the person who filed a complaint with the judicial or accounting authorities or made a public disclosure, or for which the same persons work, as well as entities operating in the same work environment as the aforementioned persons.

The reasons that led the person to report, denounce or publicly disclose are irrelevant for the purposes of his or her protection, which is activated regardless.

5 Subject and content of the alert

This procedure concerns the process of reporting conduct, acts or omissions that harm the public interest or the interest in the integrity of I.R.C.A. S.p.A. and consisting of the following violations, identified by art. 2 of Legislative Decree no. 24/2023:

1) administrative, accounting, civil or criminal offences;
2) unlawful conduct relevant under Legislative Decree No. 231/2001 or violations of the Organisation and Management Model adopted by the Organization;
3) offences that fall within the scope of the European Union or national acts indicated in the relevant annex to Legislative Decree no. 24/2023 or national acts that constitute implementation of the European Union acts indicated in the annex to Directive (EU) 2019/1937, albeit not indicated in the relevant annex to Legislative Decree no. 24/2023 or, relating to the following areas: public procurement; financial services, products and markets and prevention of money laundering and financing of terrorism; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; privacy and protection of personal data and security of networks and information systems;
4) acts or omissions affecting the financial interests of the Union as referred to in Article 325 TFEU specified in the relevant secondary law of the European Union;
5) acts or omissions concerning the internal market, as referred to in Article 26(2) of the TFEU, including violations of EU competition and State aid rules, as well as violations concerning the internal market related to acts in breach of corporate tax rules or mechanisms whose purpose is to obtain a tax advantage that frustrates the object or purpose of the applicable corporate tax law;
6) acts or conduct that frustrate the object or purpose of the provisions of the acts of the European Union in the areas indicated in numbers 3), 4) and 5) above.

Alerts may relate to

- information, including well-founded suspicions, concerning violations committed;
- information, including well-founded suspicions, concerning violations that, on the basis of concrete evidence, might be committed;
- evidence of conduct aimed at concealing such violations.

Reports concern facts of which, at the time of the report or denunciation to the judicial or accounting authorities or public disclosure, there are reasonable and well-founded grounds to believe that they are true and fall within the scope of the legislation.

Moreover, the report may not concern grievances of a personal nature of the reporter or claims that fall within the discipline of the employment relationship or relations with the hierarchical superior or with colleagues that are outside the scope of the corruptive offences envisaged by the legislation and the Model adopted by the Organization.

In any case, all Reports received, even if they do not comply with the above-mentioned

contents, will be assessed and verified, in accordance with the procedures laid down in this Procedure.

Anonymous reports will only be accepted if they are adequately substantiated and capable of revealing specific facts and situations. They will only be taken into consideration if they do not appear prima facie irrelevant, unfounded or unsubstantiated.

The requirement of truthfulness of the facts or situations reported remains in place for the protection of the reported person.

Reports must be based on precise and concordant elements of fact. The reporting person is therefore requested to attach all the documentation proving the reported facts, refraining from undertaking autonomous initiatives of analysis and investigation.

6 Reporting channels and how to send them

Reporting can be done using the following channels:

a) internal established by I.R.C.A. S.p.A.;
b) external established by A.N.A.C. (National Anti-Corruption Authority);
c) public dissemination (through the press, electronic media or media capable of reaching a large number of people);
d) report to the judicial or accounting authorities.

6.1 Internal reporting channels

The organisation has put in place internal reporting channels that guarantee the confidentiality of the identity of the whistleblower, the person involved, any person mentioned in the report, as well as the content of the report and the attached documentation.

Internal channels must be used for reports concerning unlawful conduct relevant pursuant to Legislative Decree No. 231 of 8 June 2001, or violations of the Organisation and Management Model provided for by the same Decree and adopted by the Organization, which do not fall within the offences reportable pursuant to Legislative Decree No. 24/2023.

The management of these internal channels is entrusted to the Supervisory Board of I.R.C.A. S.p.A. (breviter, OdV), a subject duly authorised by the Organisation to process the personal data contained in the reports.

The related communications will only be accessible to the members of the Supervisory Board in office at the time of dispatch.

Internal channels allow for reporting in the following ways:

- orally by means of a telephone call to the Chairman of the SB (i.e.: **Lawyer Marco Zanon** of **"BM&A studio legale associato"**) at the following dedicated telephone number **T: 334.2443131**, or alternatively by means of a request for a direct meeting with the Chairman of the SB, which will be set within a reasonable time. In the latter case, subject to the consent of the person making the report, the internal report may be documented either by recording it on a device suitable for storage and listening or by taking minutes. In case of minutes, the reporting person may verify, rectify and confirm the minutes of the meeting by signing them;
- in writing by filling in the attached **'reporting form'**:

  (I) by sending an e-mail to the dedicated e-mail address for reports: segnalazioni.wb@ext.zoppas.com, or alternatively

  (II) by sending the report in paper form in a sealed envelope by means of the postal service to the postal address of the Chairman of the SB, namely: **Lawyer Marco Zanon** c/o "**BM&A studio legale associato", in Treviso - 31100, Viale Monte Grappa no. 45**

In the case of a written report sent by ordinary mail, it is advisable for the report to be placed in two sealed envelopes: the first with the identification data of the reporting party together with a photocopy of the identification document; the second with the report, so as to separate the identification data of the reporting party from the report. Both should then be placed in a third sealed envelope marked 'CONFIDENTIAL' to the reporting manager (e.g. 'confidential to the Supervisory Board'), to be sent preferably by registered letter.

6.2 External and public reporting channels

I.R.C.A. S.p.A. provides precise instructions on its website on how to access external reporting channels.

The whistleblower may submit an external report to the National Anti-Corruption Authority (NCA) if the following conditions are met:

- the internal report submitted in accordance with the terms of this procedure was not followed up;
- the whistleblower has justified and substantiated reasons to believe that, if he or she made an internal report, it would not be effectively followed up, or that it could lead to the risk of retaliation;
- the whistleblower has reasonable grounds to believe that the breach may constitute an imminent or obvious danger to the public interest.

In any case, the whistleblower may submit a report by public disclosure if one of the following conditions is met:

- the whistleblower has previously made an internal and/or external report and no acknowledgement has been received within the time limits laid down in this procedure as to the measures envisaged or taken to follow up the report;
- the whistleblower has justified reason to believe that the breach may constitute an imminent or obvious danger to the public interest;
- the whistleblower has well-founded reasons to believe that the external report may entail a risk of retaliation or may not be effectively followed up due to the specific circumstances of the case, such as where evidence may be concealed or destroyed or where there is a well-founded fear that the reporting person may be in collusion with the author of the Breach or involved in the Breach.

7 Verification and evaluation of internal reports received

All internal Reports received will be subject to verification by the Supervisory Board in order to understand whether the communication received is accompanied by the necessary information to preliminarily verify its groundedness and to be able to initiate the subsequent in-depth investigation activities.

The Supervisory Board may request clarifications from the reporter and/or any other persons involved in the report, always respecting confidentiality and guaranteeing the utmost impartiality.

The Supervisory Board may, if necessary, avail itself of the support and cooperation of the competent offices of the Organization, when, due to the nature and complexity of the checks, their involvement is necessary, as well as, if necessary, of external consultants and control bodies (including the Court of Auditors, the Guardia di Finanza, the Revenue Agency, etc.). If the establishment of facts is not compromised, the reported person may be informed of the reports against him/her; in any case, the anonymity of the whistleblower must be preserved. The identity of the whistleblower may only be revealed with his/her express consent.

Upon receipt of the report, the Supervisory Board must guarantee the confidentiality of the reporter and of the information received. Upon receipt of the report, any identifying data of the reporter will be kept confidential.

In the event that the report concerns facts, situations or events referable to one or more members of the Supervisory Board, the report must be made exclusively to the Chairman of the Supervisory Board by sending the report on paper in a sealed envelope, by means of the postal service to the address indicated in paragraph 6.1 above, with the wording “confidential/personal” so as to ensure that it is only known

to the addressee. In the event that the report concerns facts, situations or events also referable to the Chairman of the Supervisory Board (or to the entire Supervisory Board), the report must be made to the Board of Auditors of the Company .

The management and verification of the justification of the circumstances represented in the report will be entrusted to the Supervisory Board (or to the Company's Board of Auditors in case the report concerns with the Chairmain of the Supervisory Board), which shall do so in compliance with the principles of impartiality and confidentiality, carrying out any activity deemed appropriate, including the personal hearing of the reporter and any other persons who may report on the facts.

At the preliminary verification and preliminary investigation stages

- impartiality, fairness and accuracy of the analysis and evaluation of internal reporting will be ensured;
- the confidentiality of the information collected and the confidentiality of the name of the reporting person, where provided, will be ensured;
- internal alerts will not be used beyond what is necessary to adequately follow them up
- the identity of the Reporting Person and any other information from which such identity may be inferred, directly or indirectly, shall not be disclosed, without the express consent of the Reporting Person, to persons other than those competent to receive or follow up the reports, expressly authorised to process such data pursuant to Articles 29 and 32(4) of Regulation (EU) 2016/679 and Article 2-quaterdecies of the Personal Data Protection Code set out in Legislative Decree 196/2003 as amended and supplemented.

Preliminary verification phase

Upon completion of the preliminary verification, internal reports may be filed:

- unsubstantiated;
- those which, on the basis of the description of the facts and the information provided by the Reporting Person, do not allow a sufficiently detailed picture to be obtained for further investigations to be undertaken to ascertain whether they are well-founded;
- those that are manifestly unfounded.

Internal Reports that do not pass the preliminary verification will be filed in a special physical archive guaranteeing the confidentiality of the identity of the reporter, accessible only to the Supervisory Board. In any case, the internal Report shall be recorded together with the activities carried out following its receipt in the Reports and Investigations Register, always guaranteeing the confidentiality of the identity

of the reporter and of the persons involved. The Reports and Investigations Register shall be kept by the Supervisory Board and made accessible only to authorised persons. Please refer to paragraph 9 below for further details.

Investigation phase

During the investigation of the report, the right to confidentiality and respect for the anonymity of the whistleblower is preserved, unless this is not possible due to the characteristics of the investigation to be carried out. In which case, the same duties of conduct, aimed at maintaining the confidentiality of the whistleblower, apply to the whistleblower.

If the outcome of the check reveals that the report is well-founded, the Supervisory Board shall, depending on the nature of the offence, proceed as follows 1) file a complaint with the competent Authority; 2) communicate the outcome to the Company Management for the necessary measures to protect the Company; 3) communicate the outcome to the Head of the H.R. Area, who will then involve the Functional Director, so that he may take the appropriate measures, including any proposal to initiate disciplinary action.

If, on the other hand, at the outcome of the verification, the report proves to be unfounded, the Supervisory Board will archive the file, reporting on the activity performed and its outcome in a special report.

The assessment of the reported facts by the Supervisory Board shall be concluded within 45 days from the date of receipt of the report. The personal data of the whistleblower and of the reported person will be processed in compliance with the rules laid down by law to protect them.

Special cases

As already anticipated in the previous paragraph 7, where the internal report, containing serious, precise and concordant elements, concerns one or more members of the Supervisory Board, it must be handled solely by the Chairman of the Supervisory Board in accordance with the provisions of this procedure and in compliance with the same confidentiality requirements. The investigation follows the steps described in this procedure.

In the event that the report concerns facts, situations or occurrences also referable to the Chairman of the Supervisory Board (or to the entire Supervisory Board), the report must be made to the Company's Board of Auditors.

The Board of Statutory Auditors, after assessing whether the internal report is

accompanied by the necessary information to preliminarily verify its grounds and to be able to initiate the subsequent in-depth investigation activities, shall follow up the report by carrying out the preliminary investigation also by availing itself of the company's expertise and, where appropriate, of specialised consultants, always in compliance with the confidentiality provided for by the relevant regulations as well as with the provisions contained in this document. The preliminary investigation follows the steps described in this procedure.

8 Protection measures and protection of the whistleblower

Violation of the obligations of confidentiality of the whistleblower's personal data constitutes a violation of the procedures of the Organisational and Management Model adopted pursuant to Legislative Decree No. 231/2001, as amended and supplemented, and may be sanctioned accordingly.

The Organization - pursuant to and for the purposes of the prohibition of retaliation laid down in Legislative Decree no. 24/2023 - undertakes to protect the whistleblower in a particular way by refraining from taking measures and/or imposing sanctions that could be considered retaliatory.

Any form of retaliation against the reporting person is prohibited. Retaliatory measures are null and void, and a whistleblower who is dismissed as a result of the (internal and/or external) public disclosure or whistleblowing is entitled to be reinstated in his/her job. The adoption of discriminatory measures against whistleblowers may be reported to A.N.A.C., which in turn will inform the National Labour Inspectorate for measures within its competence.

In the context of judicial or administrative proceedings or, in any case, out-of-court disputes concerning the ascertainment of the prohibited conduct, acts or omissions in respect of the reporting person, it is presumed that such conduct or acts were put in place as a result of the (internal and/or external) report, public disclosure or complaint. The onus of proving that such conduct or acts are motivated by reasons unrelated to the (internal and/or external) report, public disclosure or complaint is on the person who put them in place (e.g. Employer). Moreover, in the event of a claim for damages submitted to the judicial authorities by the reporting person, if he/she proves that he/she has made a (internal and/or external) report, public disclosure or complaint to the judicial or accounting authorities and that he/she has suffered damage, it is presumed, unless proven otherwise, that the damage is a consequence thereof.

A reporting person who discloses or disseminates information on breaches covered by the obligation of secrecy, other than that set out in Art. 1, paragraph 3 of Legislative

Decree no. 24/2023, or relating to the protection of copyright or the protection of personal data, or who discloses or disseminates information on breaches that offend the reputation of the person involved or reported, when, at the time of the disclosure or dissemination, there were reasonable grounds for believing that the disclosure or dissemination of the same information was necessary to disclose the breach, and the reporting (internal and/or external), public disclosure or denunciation to the judicial or accounting authorities was carried out in compliance with the provisions of Legislative Decree no. 24/2023.

In such cases, any further liability, including civil or administrative liability, is also excluded.

Unless the act constitutes a criminal offence, the Compay or the reporting person shall not incur any liability, including civil or administrative liability, for acquiring or accessing information on violations.

As already anticipated in the previous paragraph 4, the prohibition of retaliation and, in any case, the protective measures provided against the whistleblower, also apply:

(a) to facilitators;

(b) to persons in the same employment context as the person making the report, the person who has made a complaint to the judicial or accounting authorities or the person who has made a public disclosure and who are linked to them by a stable relationship of affection, affinity or kinship up to the fourth degree;

(c) to co-workers of the reporting person or of the person who has made a complaint to the judicial or accounting authorities or has made a public disclosure, that they work in the same work environment as the reporting person and they have a regular and current relationship with that person;

(d) to entities owned by the reporting person or the person who filed a complaint with the judicial or accounting authorities or made a public disclosure, or for which the same persons work, as well as entities operating in the same work environment as the aforementioned persons.

Protection measures apply when at the time of the report (internal and/or external), or of the report to the judicial or accounting authorities or of public disclosure, the reporting person:

- had reasonable grounds to believe that the information on the violations was true and related to violations of national or EU regulatory provisions affecting the integrity of the private entity, of which they had become aware in the context of their work;
- made the report (internal and/or external) or public disclosure in accordance with the rules applicable to them pursuant to Legislative Decree No. 24/2023.

The conditions provided for protection also apply in cases of (internal and/or external) whistleblowing or reporting to the judicial or accounting authorities or anonymous public disclosure, if the whistleblower is subsequently identified and retaliated against, as well as in cases of whistleblowing submitted to the competent institutions, bodies and organs of the European Union, in accordance with the conditions set out in this procedure (as well as in Article 6 of Legislative Decree no. 24/2023)

This procedure is without prejudice to the criminal and disciplinary liability of the whistleblower in the event of a libellous or defamatory report under the Criminal Code and/or Article 2043 of the Civil Code. In any case, criminal liability and any other liability, including civil or administrative liability, is not excluded for conduct, acts or omissions that are not connected with the (internal and/or external) report, with the report to the judicial or accounting authorities or with public disclosure or that are not strictly necessary to disclose the breach.

The conduct of anyone who makes reports that turn out to be unfounded with malice or gross negligence is also punishable. Any abuse of this procedure, such as internal reports that are manifestly opportunistic and/or made for the sole purpose of damaging the reported person or other persons and any other case of improper use or intentional exploitation of the Organization, shall also give rise to liability in disciplinary proceedings and in other competent fora.

Therefore, when the criminal liability of the whistleblower for the offences of defamation or slander, or civil liability in cases of wilful misconduct or gross negligence, is established, even by a judgment of first instance, the protections provided for in this procedure are not guaranteed and disciplinary proceedings will be initiated against the whistleblower, with the possible imposition of disciplinary sanctions by the competent office.

9 Storage and archiving

Internal reports received will be retained for as long as necessary for their processing and, in any case, no longer than five years from the date of the communication of the final outcome of the reporting procedure, in full compliance with the confidentiality obligations set out in Article 12 of Legislative Decree 24/2023 and the principle set out in Article 5(1)(e) of the GDPR.

An Internal Reporting Register is envisaged in which personal data relating to the reporter, to the persons involved/named as possible perpetrators of the unlawful conduct, as well as to those involved in various capacities in the report, shall be anonymised, in order to prove the adequate management of reports, as a requirement

of an effective Model for the prevention of the risk of offences pursuant to Article 6 of Legislative Decree no. 231/2001 and the consequent absence of organisational fault on the part of the Company.

An annual Report on the functioning of the internal reporting system will be prepared, providing aggregated information on the results of the activity carried out and on the follow-up given to the reports received in compliance with applicable data protection legislation.

The documentation relating to the internal report (received through an oral, computerised or paper-based channel, or collected through a meeting and minuted) and its subsequent handling, will be kept in a special physical archive to protect the confidentiality of the reporter's identity, accessible only to authorised persons.

The Supervisory Board must be informed of any sanctions imposed in response to reports. The competent functions of the Organization shall archive the documentation relating to the sanctioning and disciplinary process.

ANNEX 1:
REPORTING FORM

It is recommended to enclose all the documentation that you think may be useful to ensure the best handling of the Report.

WHISTLEBLOWER DATA:

Name and Surname (not mandatory)

.....

Department/area of responsibility and qualification (not mandatory)

.....

Contact/communication channels (e.g. private e-mail address, telephone number)

.....

Specify whether the reporter has a private interest in the report (if any)

.....

Indicate whether the reporter could be held co-responsible
for the violations he/she reports

☐ YES ☐ NO

REPORTED OFFENCE:

Period in which the event occurred

.....

Scope of the Organization to which the event is referable

.....

Internal stakeholders involved in the event

.....

External stakeholders involved in the event

.....

Persons who may report on the facts being reported

.....

Description of the event being reported

.....

.....

.....

.....

.....

.....

Has the report been forwarded/ made known to other persons? If yes, which ones?

Internal stakeholders

.....

External stakeholders

.....

Attachments

.....

Date (not compulsory) Signature of reporter

....

ANNEX

VII

DOCUMENTS ALREADY ADOPTED BY THE COMPANY AND REFERENCED IN THE MODEL

The Model makes reference to the following IRCA documents as a source of mandatory instructions to be followed when carrying out sensitive activities:

- procedures for the traceability of cash flows, Law 136/2010 (Ref. 0.50.13);
- documented information management (Q.DOC 910-920);
- Combined Safety - Environment - Energy Management System Manual (Ref. E.SYSTEM 001)
- declaration of authority (Ref. E.AUTH 010);
- documented information management (Ref. E.DOC 901-910);
- management review (Ref. E.INFSYS 801);
- management of objectives and improvement plans (Ref. E.INFSYS 802);
- management of internal and external communications (Ref. E.INFSYS 803);
- management of safety, environment and energy reporting (Ref. E.INFSYS 804);
- audit of the safety, environment and energy management system (Ref. E.INFSYS 805);
- management of emergencies (Ref. E.INFSYS 806);
- management of plant, machinery, equipment and assets (Ref. E.METHOD 301);
- identification and assessment of environmental matters (Ref. E.METHOD 302);
- identification and access to legal and other instructions (Ref. E.METHOD 303);
- management of security (Ref. E.METHOD 304);
- management of non-conformities, corrective and preventive actions (Ref. E.METHOD 305);
- identification and assessment of health and safety risks (Ref. E.METHOD 307);
- management of accidents, incidents and occupational illnesses (Ref. E.INFSYS 308);
- management of health safety (Ref. E.METHOD 309);
- occupational safety policy (Ref. E.POLICY 000);
- no smoking policy (Ref. E.POLICY 002);
- environment policy (Ref. E.POLICY 004);
- management of external firms and access to the Company (Ref. E.PURCH 602);
- entry of vehicles and prevention of illegal acts (Ref. IE.11.004);
- emergency plan;
- management of personal protective equipment (Ref. PE.10.001);
- management of safety signage (Ref. PE.10.002);
- checks and supervision (Ref. PE.07.004);
- hot processes (Ref. PE.07.017);

- maintenance of general plant (Ref. PE.09.001);
- management of noise emissions (Ref. PE.006.001);
- management of environmental emergencies in shared and/or adjoining areas (Ref. PE.007.003);
- management of incidents and emergencies (Ref. PE.07.002);
- management of chemical substances/compounds (Ref. PE.05.001);
- management of waste (Ref. PE.01.001);
- management of atmospheric emissions (Ref. PE.02.001);
- management of the consumption of energy and water resources (Ref. PE.04.001);
- management of water discharges (Ref. PE.03.001);
- quality guarantee for ATEX products (Annex VII ATEX Directive 2014/34/EU) (Ref. 0.40.33);
- suitability for contact with food (Regulation 1935/04/EC) (Ref. 0.41.03);
- compliance with restrictions on hazardous substances (Directive 2011/65/EU RoHS2 and subsequent amendments) (Ref. 0.41.14);
- use of chemical substances (Regulation 1907/06/EC) (Ref. 0.41.15);
- compliance with the safety requirements of the applicable directives for CE products (e.g., Low Voltage Directive 2014/35/EU or other) (Ref.0.41.16);
- IT regulation (Ref. IGP01.01.007);
- design quality and product development (Ref. Q.METHOD 340).

• waste storage area management	• IE.01.001
• loading/unloading of Waste and Chemical Substances	• IE.01.002
• loading/unloading of hazardous liquids at the etched foil plant	• IE.01.003
• ADR carrier requirements check-list	• IE.01.004
• etched foil plant purifier management	• IE.03.001
• hydrochloric acid loading operations	• IE.05.550
• spent ferric chloride unloading operations	• IE.05.551
• sulphuric acid loading operations	• IE.05.552
• rm ferric chloride loading operations	• IE.05.553
• sodium hydroxide loading operations	• IE.05.554
• spillage of hazardous chemicals ef	• IE.07.001
• breakdown of abatement systems	• IE.07.002
• spillage of hazardous chemicals ef	• IE.07.003
• environmental emergency from spills of dangerous substances	• IE.07.004
• particulate matter and MgO spill	• IE.07.005
• waste monitoring checklist; chemicals and energy	• IE.07.006
• emergency kit recovery procedure - irca-rica-ef plant	• IE.07.007
• emergency detection - all employees	• IE.07.008
• emergency management – concierge desk	• IE.07.009
• fire emergency management - coordinator	• IE.07.010
• fire emergency management - operators	• IE.07.011

• earthquake emergency management - coordinator	• IE.07.012
• flooding emergency management - coordinator	• IE.07.013
• evacuation management - all employees	• IE.07.014
• evacuation management - coordinator	• IE.07.015
• collaboration with fire brigade - coordinator	• IE.07.016
• hot work permit	• IE.07.017
• fire alarm/rica-ef plant evacuation management	• IE.07.018
• man down device	• IE.07.019
• irca-sv plant emergency vehicle access	• IE.07.020
• covid19 emergency: green pass check	• IE.07.100
• first aid for injuries/illnesses	• IE.08.001
• simplified procedure for accompanying the injured	• IE.08.004
• documents to be requested from external companies	• IE_11.002
• visitor entrance	• IE.11.003
• covid19 positive persons management	• IE_11.003_3
• entry of vehicles and prevention of illegal acts	• IE_11.004
• access and transit of irca warehouse	• IE_11.005
• loading and unloading of the oxide truck in the rica/sipa2 area	• IE.11.006
• handling of l19 closing parts	• IE.12.001
• lab vita loading/unloading	• IE.12.002
• cable reel storage	• IE 12.003
• oxide imp. passage	• IE 12.004
• steel tube forming mill	• IE 12.005
• casale customer heating elements electrical testing	• IE.12.007
• “wartsila” customer electrical testing operations	• IE.12.008
• “bromic” electrical testing operations	• IE.12.009
• safe access in areas with the presence of robots (imp. pl58)	• IE.12.010
• electrical testing operations (insulation–stiffness-fire resistance) • RICA factory in vittorio veneto	• IE.12.011
• electrical testing operations (stiffness - insulation) • RICA factory in Conegliano	• IE.12.012
• filling loading unloading	• IE 12.112
• slinging and handling operations of flanged components on trolley	• IE.12.013
• kapton dept. loading/unloading	• IE 12.014
• cap-bottom press equipment	• IE.12.107
• caulking press equipment	• IE 12.108
• silicone patch removal	• IE 12.109
• silicone dept. stapler equipment.	• IE.12.111
• cam dept. pipe mobile warehouse	• IE 12.113

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