

Officine Meccaniche B.B.M. SpA	ORGANISATION, MANAGEMENT AND CONTROL MODEL	
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ORGANISATION AND MANAGEMENT MODEL GENERAL PART

1. **PREMISE: STRUCTURE OF THE DOCUMENT**

The entry into force of Legislative Decree. 231/01 (hereinafter also referred to as "Decree") introduced into our system the administrative liability of entities, as a consequence of the commission of certain crimes by "top" or "subordinate" subjects, provided that such facts are committed in the interest or to the advantage of the body itself.

Failure to comply with this regulation may result in sanctions for the organisation that can go as far as a ban from carrying out its business. However, if the management body of the body proves that it has adopted and effectively implemented, before the commission of the crime, an organisation, management and control model suitable for preventing crimes of the type that occurred, the body is not liable for liability administrative, regardless of the recognition of the criminal responsibility of the person who committed the crime.

The Company, also referring to the guidelines issued by Confindustria and internal control *best practices*, has therefore drafted this Model.

The Model consists of the following Parts:

General part

After an *excursus* explaining Legislative Decree 231/01 for the benefit of all the subjects to whom the OCM will be disclosed, the General Part describes the organisational profile of the Company, including the governance mechanisms adopted, the methodology followed in drafting the Model, the Supervisory Body, the envisaged Sanction System and the Training on the Model.

Special Part

- A – "Crimes against public administration and the administration of justice"
- B – "Cybercrimes and copyright"
- C – "Corporate crimes"
- D – "Crimes of receiving, laundering, self-laundering or use of money or goods of illicit origin and crimes relating to payment instruments other than cash"
- E – "Tax crimes"
- F - "Crimes of manslaughter and serious or very serious injuries in violation of accident prevention regulations and the protection of hygiene and health at work"
- G – "Environmental crimes"
- H – "Employment of illegally staying third-country nationals"

2.1 INTRODUCTION

On 4 July 2001, Legislative Decree dated 8 June 2001 no. 231 came into force, concerning the “Discipline of the administrative liability of legal persons, companies and associations even without legal personality”, which introduced the liability of bodies for administrative offences into the Italian legal system, deriving from crimes committed in the interest or to the advantage of the same bodies.

The Decree applies in the private sector to companies, associations and bodies with legal personality, while in the public sector only to public economic bodies (with the explicit exclusion of the State, territorial public bodies, non-economic public bodies and bodies carrying out constitutional functions).

The Decree has a complex and innovative scope, because it adds to the criminal liability of the natural person who has committed a crime also that of the Body in whose interest or for whose benefit the crime itself was perpetrated.

In fact, art. 5 of the Decree establishes that the Body is called to respond whenever certain crimes (specified in the Decree), called predicate crimes, have been committed “*in its interest or to its advantage*”, by the following subjects:

- a) people who hold representation, administration or management functions of the organisation or one of its organisational units with financial and functional autonomy, as well as people who also de facto exercise the management and control of the same (the so-called Senior Managers or in Senior Positions);
- b) persons subject to the management or supervision of one of the subjects referred to in letter a). (so-called Subordinated).

On the contrary, the existence of an exclusive advantage for the person who commits the crime excludes the liability of the Company, which thus finds itself in a situation of absolute and manifest extraneousness with respect to the crime committed.

The responsibility of the Body is defined by the legislator as administrative, although regulated within the criminal proceedings, and is also characterised by being an independent title of responsibility compared to that of the natural person who commits the crime. In fact, pursuant to Article 8 of the Decree, the Body can be declared liable even if the material perpetrator of the crime is not attributable or has not been identified and even if the crime is extinguished for reasons other than amnesty. Based on the same principle, any possible attribution to the Body of responsibility deriving from the commission of the crime does not exclude the personal criminal liability of those who carried out the criminal conduct.

Legislative Decree 231/2001 also requires that the Company’s guilt is ascertained, in order to be able to assert its liability. This requirement is attributable to an “organisational fault”, to be understood as the Company’s failure to adopt adequate preventive measures to prevent the commission of the crimes listed in the following paragraph by the subjects identified in the Decree. Where the Company is able to demonstrate that it has adopted and effectively implemented an organisation suitable for avoiding the commission of such crimes, through the implementation of the Organisation, Management and Control Model envisaged by Legislative Decree 231/2001, the latter will not be held liable for administrative liability.

2.2 TYPE OF OFFENCE

The Body’s liability does not refer to any offence, but is limited to the criminal cases expressly indicated by the Decree, provided for at the date of approval of this Model.

The families of offence identified by the individual articles of the Decree are listed below, referring to Annex 1 of this document for the details of the cases included within each offence group.

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Legislative Decree 231/2001	Offence groups
Art. 24	Undue receipt of funds, fraud to the detriment of the State, a public body or the European Union or to obtain public funds and computer fraud to the detriment of the State or a public body and fraud in public supplies
Art. 24 <i>bis</i>	Cybercrimes and illicit data processing
Art. 24 <i>ter</i>	Organised crime offences
Art. 25	Embezzlement, extortion, undue induction to give or promise benefits, corruption and abuse of office
Art. 25 <i>bis</i>	Forgery of coins, public credit cards and revenue stamps
Art. 25 <i>bis</i> 1	Crimes against industry and commerce
Art. 25 <i>ter</i>	Corporate crimes
Art. 25 <i>quater</i>	Crimes with the aim of terrorism or subversion of the democratic order
Art. 25 <i>quater</i> .1	Mutilation of female genital organs
Art. 25 <i>quinquies</i>	Crimes against the individual
Art. 25 <i>sexies</i>	Market abuse
Art. 25 <i>septies</i>	Crimes of manslaughter and serious or very serious negligent injury, committed in violation of the regulations on the protection of health and safety at work
Art. 25 <i>octies</i>	Crimes of money laundering, receiving stolen goods and using money, goods or benefits of illicit origin
Art. 25 <i>octies</i> .1	Crimes relating to payment instruments other than cash
Art. 25 <i>novies</i>	Crimes relating to copyright infringement
Art. 25 <i>decies</i>	Induction not to make statements or to make false statements to the judicial authority
Art. 25 <i>undecies</i>	Environmental crimes
Art. 25 <i>duodecies</i>	Employment of illegally staying third-country nationals
Art. 25 <i>terdecies</i>	Racism and Xenophobia
Art. 25 <i>quaterdecies</i>	Fraud in sporting competitions, abusive gambling or betting and gambling using prohibited devices
Art. 25 <i>quinquiesdecies</i>	Tax crimes: fraudulent statement through the use of invoices or other documents for non-existent transactions; fraudulent statement using other devices; issuing invoices or other documents for non-existent operations; concealment or destruction of accounting documents; fraudulent evasion of tax payments
Art. 25 <i>sexiesdecies</i>	Smuggling
Art. 25 <i>septiesdecies</i>	Crimes against cultural heritage
Art. 25 <i>octiesdecies</i>	Laundering of cultural assets and devastation and looting of cultural and landscape assets

Law no. 146/2006, ratifying and implementing the UN Convention against organised crime, also extended the administrative responsibility of legal persons, companies and associations to transnational organised crime crimes, including crimes of criminal association, migrant trafficking and obstruction of justice. The extension of the crimes provided for by Law 146/2006 to the cases of liability of legal persons occurs only in the case in which these criminal cases are transnational in nature.

2.3 EVENTS CHANGING THE ORGANISATION

The fundamental principle, which also informs the entire matter of the body's liability, establishes that *"only the body, with its assets or common fund, is liable for the obligation for the payment of the fine"* imposed on the body. (art. 27).

In the event of transformation, the principles of the civil laws on liability for the debts of the original body apply to the fines imposed on the body.

In the case of bans, however, it has been established that they remain the responsibility of the body in which the branch of activity within which the crime was committed remained (or merged), without prejudice to the right for the body resulting from the transformation of obtaining the conversion of the ban into a fine.

The Decree establishes the rule that, in the case of *"transformation of the body, liability for crimes committed before the date on which the transformation took effect remains unchanged"* (art. 28).

In the case of **merger** operations, the Decree provides that the body resulting from the merger, even by incorporation, *"is liable for the crimes for which the bodies participating in the merger were responsible"* (art. 30). Therefore, when the body resulting from the merger takes over the legal relationships of the merged entities, responsibility is transferred to the body resulting from the merger.

However, if the merger occurred before the conclusion of the judgement to ascertain the body's liability, the judge must take into account the economic conditions of the original body and not those of the body resulting from the merger (art. 31, paragraph 1).

The collective bodies benefiting from a **demerger** operation, that have received the assets (in whole or in part) of the demerged company, are jointly and severally obliged to pay the fines due by the demerged body for crimes prior to the demerger. The obligation is limited to the value of the assets transferred, unless it is a body to which the branch of activity within which the crime was committed has been transferred, even in part (art. 30).

In the case of a **transfer** and/or **sale of the company** in the context of which the crime was committed, the transferee is jointly and severally obliged with the transferring body to pay the fine, within the limits of the value of the company transferred and without prejudice to the benefit of prior enforcement by the transferring body.

The liability of the transferee - as well as being limited to the value of the company being transferred (or contributed) - is, moreover, limited to the fines resulting from the mandatory accounting books, or due for administrative offences of which the transferee was in any case aware .

2.4 SANCTIONS TO BE CHARGED BY THE ORGANISATION

The sanctions for the Body, as a consequence of the commission or attempted commission of the predicate crimes, are:

- **fine**, which may vary depending on the seriousness of the crime, the degree of responsibility of the body, the activity carried out to eliminate the consequences of the fact and mitigate its consequences or to prevent the commission of other crimes and which takes into account the economic conditions and assets of the body, and the aim of ensuring the effectiveness of the sanction. In case of conviction of the body, the fine is always applied;
- **bans**, such as the ban from carrying out the activity, the suspension or revocation of licences or concessions, the ban on contracting with the Public Administration, the exclusion or revocation of financing and contributions and the ban on advertising goods and services.

Bans are imposed, together with fines, only if expressly provided for that type of crime and only when at least one of these two conditions occurs:

- 1) the Company has previously committed a criminal offence;
- 2) the Company made a significant profit from the crime.

The duration of bans is normally temporary, ranging from three months to two years.

Only in particularly serious cases can some bans be imposed definitively. Bans can also be applied as a precaution, at the request of the Public Prosecutor, if there are serious indications of the body's responsibility and there are well-founded and specific elements

such as to suggest the concrete danger that offences of the same type as those already committed will be committed.

- **confiscation** (and preventive seizure as a precautionary measure) of the profit and price of the crime, also in equivalent form;
- **publication of the sentence** (which can be ordered by the judge when a ban is applied against the body).

2.5 CONDITION EXEMPTING ADMINISTRATIVE LIABILITY: THE IMPLEMENTATION OF THE ORGANISATION AND MANAGEMENT MODEL

The Decree introduces a particular form of exemption from the liability in question if the organisation demonstrates that:

- it has adopted and effectively implemented through the management body, before the commission of the crime, organisational and management models suitable for preventing crimes of the type that occurred;
- has entrusted to an internal body - Supervisory Body -, equipped with autonomous powers of initiative and control, the task of supervising the functioning and observance of the models, as well as ensuring their updating;
- the people who committed the crime - in the case of senior managers or similar subjects - acted by fraudulently evading the aforementioned organisation and management models;
- there is no omitted or insufficient supervision by the Supervisory body.

The Decree also provides that, in relation to the extension of delegated powers and the risk of crimes being committed, the organisation, management and control models must respond to the following needs:

- identify the areas at risk of committing the crimes envisaged by the Decree;
- prepare specific protocols in order to plan the training and implementation of the Organisation's decisions in relation to the crimes to be prevented;
- provide methods for identifying and managing financial resources suitable for preventing the commission of such crimes;
- prescribe information obligations towards the body responsible for supervising the functioning and observance of the organisation and control model;
- set up an internal disciplinary system suitable for sanctioning failure to comply with the measures indicated in the organisation and control model.

2.6 THE INTEGRATION OF THE STANDARD

The Decree provides that the organisation and control model can be implemented, guaranteeing the above requirements, on the basis of codes of conduct drawn up by representative trade associations, communicated to the Ministry of Justice which, in agreement with the competent Ministries, can formulate (within 30 days) observations on the suitability of the models to prevent crimes.

The first trade association to draw up a guideline document for the construction of the models was Confindustria which, in March 2002, issued guidelines, then partially modified and updated first in May 2004, in March 2008, in December 2014 and, most recently in June 2021 (hereinafter also "Guidelines"). All versions of the Confindustria Guidelines were then deemed adequate by the Ministry of Justice.

Following the formalisation of the 231 Guidelines by Confindustria, many other sectoral associations (e.g. AEFI, ABI, ANCE, ANCPL, Assobiomedica, Farindustria, Assoambiente, CNDCEC etc.) have drawn up their own Guidelines, taking into consideration the principles set out in the legislation and the reference *best practices*.

In addition to the aforementioned Guidelines, further indications for the drafting and effective implementation of the 231 Models can be obtained from other regulatory sources (hard law) and soft law instruments, including, by way of example, the Anti-Mafia Code (Law no. 161 of 17 October 2017), the instructions provided by the Ministry of Labour and Social Policies, with reference to issues in the field of Health and Safety at Work regarding the preventive control system (ex paragraph 4, art.30 of the Legislative Decree 81/2008) and the indications for the implementation of the disciplinary system (ex paragraph 3, art. 30 of Legislative Decree 81/2008),

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the ISO 37001 - “Anti-bribery management systems” standard, reference standard in the definition and implementation of management systems aimed at fighting corruption.

3. ORGANISATIONAL STRUCTURE OF THE COMPANY

3.1 PREMISE

B.B.M. Mechanical Workshops is a joint-stock company registered in the Register of Companies of Vicenza, VAT number 00258200245, E.A.I. 94429, dated 23/12/1965. Its registered office and headquarters are located in Rossano Veneto (VI), via Mottinello no. 141. It currently employs 120 people on average.

Officine Meccaniche B.B.M. SpA has two local units located in Rossano Veneto (VI):

- local unit in via Mottinello no. 145, used for production activities and offices;
- local unit in via Ca Vico n. 70/H, used for the assembly of machinery and related systems.

3.2 CORPORATE PURPOSE

The company's corporate purpose (extracted from the Chamber of Commerce certificate): *"design, construction, sale, installation and assistance of machinery and equipment for the repair of railway, tram and underground rolling stock and of machinery and equipment for the automation sector. Construction of machinery based on customer designs and specifications. Construction of welded and machined carpentry. Mechanical processing on behalf of third parties. The trade of machinery and equipment for the railway, tram and metropolitan sectors. The company may also carry out any other activity connected or similar to the aforementioned ones as well as carry out, not prevailing with respect to the operations mentioned above, any commercial (including import-export), industrial, securities and real estate, financial and credit, rental, mortgage deemed necessary or useful by the administrative body for the implementation of the activities that constitute the corporate purpose; may assume, both directly and indirectly, interests and shareholdings in any form in other businesses or companies or entities, provided that the extent and subject of the participation do not substantially modify the subject determined by the statute, for the sole purpose of achieving the corporate purpose and in relation and instrumentally to the same, in full compliance with the law even if such participations entail the assumption of unlimited liability for the obligations of such entities. The company may also grant to third parties, but not to the public, sureties and real or personal guarantees of any kind, as well as contract mortgage loans and financing in general for the sole purpose of achieving the corporate purpose and in relation and instrumentally to the same in full compliance with Legislative Decree 385/1993 and all other regulations in force on the matter."*

3.3 CORPORATE GOVERNANCE

3.3.1 Organisational structure

The associates are:

- Ms. Vangelista Fiorina;
- Ms. Piotto Elena;
- Mr. Bizzotto Fabio Giovanni;
- Mr. Bigolin Nicola;
- Mr. Bigolin Giacomo;
- Mr. Bizzotto Fabio;

to these, Officine Meccaniche B.B.M. SpA Itself is added which holds part of its shares.

In addition to the Board of Directors and the Board of Statutory Auditors, the Company has the Supervisory Body provided for by decree 231.

The Board of Directors, at the date of the last revision of this model, is made up of 7 people, who manage the company as:

- Chairman of the Board of Directors and CEO, Mr. Nicola Bigolin;
- CEO, Ms. Fiorina Vangelista;
- CEO, Mr. Bigolin Giacomo;

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- Councilor, Ms. Piotto Elena.
- Councilor, Mr. Bizzotto Fabio;
- Councilor, Mr. Bizzotto Fabio Giovanni;
- Councilor, Mr. Riccardo Zilio.

The Board of Statutory Auditors, at the date of the last revision of this model, is composed of the following:

- Chairman of the board of auditors, Dr. Pastò Gianni;
- Standing auditor, Dr. Disegna Valli;
- Standing auditor, Dr. Zaminato Silvia;
- Alternate auditor, Dr. Maurizio Alberti;
- Alternate auditor, Dr. Vittorio Zanutto.

The activity of Officine Meccaniche B.B.M. is organised into two divisions: Railways and Mechanical.

The Railways Division deals with the design and production of maintenance systems for wagons, wheelsets and railway machinery.

The Mechanical Division deals with the production of machinery based on projects developed by third parties, if necessary assisting the customer with its own internal design department.

This division is reflected in the commercial management entrusted to two sales offices, one per division.

The company has approved an organisational chart, which takes into consideration the two Railways and Mechanical Business Units, also taking into account the foreign subsidiaries; it also approved a specific organisational chart for safety.

3.3.2 Code of Ethics

The Code of Ethics represents the summary of all the principles of social responsibility that Officine Meccaniche B.B.M. SpA has given itself and that it requires from its collaborators and third parties with which it interacts.

The document will be disseminated as widely as possible, with publication also on the Company's website, so that it can be known by stakeholders and anyone connected with the Company itself.

The company recognises the following subjects as recipients of the principles of its action:

- the Company's workers, external collaborators, consultants
- the local community, the Municipality of Rossano Veneto, the citizens, the neighbours (both private individuals or companies)
- the company's suppliers, whether of materials or services
- customers
- the State and its representative institutions, the public administration, the authorities.

The principles contained in the Code of Ethics are an emanation of the property, they are made publicly known to all stakeholders through targeted or general communications, they must always be complied with at all company levels.

3.3.3 Delegation system

The Company has equipped itself - also in the context of the segregation of functions and organisational improvement - with both an organisational chart which provides for the subdivision of the two Business Units and the indication of the subsidiary companies, and a specific organisational safety chart.

The Board of Directors then decided to identify within itself the Employer for Safety pursuant to art. 2 of Legislative Decree 81/08 in the person of the Director Bigolin Giacomo, as well as in environmental matters the Director Bigolin Giacomo was appointed Sole Contact.

Furthermore, the Board of Directors has delegated the Chairman Mr. Nicola Bigolin to maintain relations with the Supervisory Body.

3.3.4 Management systems, procedures and practices

The Company has obtained various certifications, which are renewed at their respective deadlines:

- Uni En Iso 9001 for Quality Management System,
- Uni En Iso 3834-2 for medium-heavy welding and carpentry,
- En 1090-1:2009+A1:2011 for structural steel components;
- ISO 45001 for Worker Safety and Health Management System;
- ISO 14001 for Environmental Management System;
- ISO/IEC 27001 for Information Security Management System

Over the years, the company has equipped itself with numerous specific procedures to regulate the activities with the greatest impact or economic importance. Regulating procedures:

- sales management;
- purchasing management;
- production management;
- management of non-conformities;
- management of inspections;
- environmental management;
- workplace safety management;
- procurement management;
- management of employee personnel;
- management of collaborations/service supplies;
- financial management of payments to suppliers and the State
- management of reports to the Supervisory Body

The special part of this model expressly refers to the procedures in place or existing for the approval of the Model. These procedures were verified during the preparation and drafting of the Model and approved for this purpose by the Board of Directors. Since company life is constantly evolving, they may require updates and/or improvements suggested both by those who directly use them and by the Supervisory Body during the monitoring and control phase.

Should the need arise to update a procedure, the new draft will be submitted to the System Manager who will ensure its approval, after consulting the managers of the functions involved. The new procedure will subsequently be made known to all stakeholders through securitisation, information and training on it.

There are also further consolidated, non-formalised practices which derive from the application of the principles of the Code of Ethics, and are therefore known and respected by administrative and technical employees in carrying out their duties.

3.3.5 Control and monitoring systems and activities

The control and monitoring activities on the correct application of existing procedures and internal rules are entrusted to the subjects identified within the same procedures; the Integrated System Manager is entrusted with global control over the procedures implemented by Officine Meccaniche B.B.M. SpA; the members of the Board of Directors remain highly supervised as far as the work of the department managers is concerned.

The Supervisory Body - both in periodic and random checks - verifies the implementation of the 231 System, with the contribution of all stakeholders who have the obligation to inform the Supervisory Body of any "non compliance" or "non-compliant behaviour" detected.

4. THE ORGANISATION, MANAGEMENT AND CONTROL MODEL of B.B.M. S.p.A

4.1 PURPOSE OF THE MODEL

This Model was created in order to achieve multiple objectives:

- a. Have a tool for analysing the areas at risk for the commission of the crimes envisaged by Legislative Decree 231/01
- b. Bring together in an organic and organised way the set of procedures, rules, practices and management systems already in place in the company, implement those that have been identified as further necessary, all with the aim of regulating sensitive processes in compliance with the principles of the Code of Ethics
- c. Disseminate at all levels and to all stakeholders the Company's commitment to pursuing the social responsibility objectives set within the Code of Ethics, and to ban all behaviour that does not comply with what is prescribed therein
- d. Acknowledge the Company's commitment to the constant and effective prevention of the crimes listed in the Legislative Decree. 231/01, not only for the exemption purposes envisaged by the Decree, but for an increasingly careful enhancement of the principles of social responsibility
- e. Establish a clear and effective sanctioning system, at all levels, which can make a contribution to the prevention of crimes, as well as representing an essential protection tool for the Company against any employees/administrators not aligned with the rules of conduct established by the agency.

4.2 INSPIRING PRINCIPLES OF THE MODEL

The fundamental principles on the basis of which the Model is built are:

- mapping of sensitive activities;
- identification of significant operations within the scope of sensitive activities where there is a possible risk of commission of predicate crimes;
- the application and respect of the principle of segregation of functions, and the creation of an effective delegation system;
- the attribution of powers consistent with organisational responsibilities;
- the attribution to the Supervisory Body of specific control tasks on the effective and correct functioning of the Model;
- the dissemination and involvement of all company levels in the implementation of behavioural rules, procedures and company policies compliant with the principles established in the Model
- an effective sanctioning system.

4.3 RECIPIENTS OF THE MODEL

This model, created for the benefit of all the Company's stakeholders, expressly addresses:

- Directors, and those who carry out, even de facto, representation, management, administration, direction or control functions in the Company;
- Employees;
- Collaborators, consultants, suppliers of the Company, third parties who come into contact with the Company.

4.4 THE CONSTRUCTION OF THE MODEL

4.4.1 Risk identification and classification methods

The Company believes that risk analysis represents the fundamental basis of the Organisation and Management Model, as it is necessary to highlight the areas and processes sensitive to the commission of the crimes included in Legislative Decree 231/01, and essential to determine the extent of the risks and the effectiveness of the prevention measures implemented by the company. The Risk Assessment, also implemented in collaboration with external consultants, took into consideration:

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- The characteristics of the Company, the scope of activity and its internal organisation;
- The level of diffusion and acceptance of the principles contained in the Code of Ethics;
- Consolidated practices and existing procedures for regulating business processes;
- Relevant historical data.

The method adopted for the analysis and estimation of risks involved:

- A series of meetings at the Company's headquarters, with the direct involvement of the Board of Directors and, from time to time, of the operational figures involved in the ongoing analysis.
- Mapping of company processes and sensitive areas.
- The detailed examination of each individual crime, based on jurisprudential interpretations and doctrine, and the assessment of the possibilities of committing the same within the Company
- The examination and collection of existing control procedures and measures for the areas and processes at risk
- Verification of the levels of dissemination and knowledge of the inspiring principles of the Model.
- The proposal of additional procedures, or modifications to existing ones, to increase safety levels
- The identification and definition of control measures for the areas and processes at risk, taking into account the company reality and the realistic possibility of their effective implementation.

This revision had as its primary aim the reformulation of the General Part, given the multiple legislative interventions relating to Legislative Decree 231/2001, from the date of first approval to today, as well as a review of the relevance and effectiveness of the safeguards and procedures already envisaged for the cases for which the Risk Analysis had already been carried out, and a new Risk Assessment, according the method reported above, for the newly introduced cases, which have been deemed of interest to the Company, and therefore included in the Special Part.

Within each individual special part of this Model, the results of the checks carried out are reported, with an indication of the prevention systems - general and special safeguards - in place within the company.

4.4.2 The company's sensitive processes

Various Sensitive Processes have emerged, which are indicated in the individual Special Parts of reference, and relate, at present, to the abstract commission of:

- crimes against the Public Administration and the Judicial Authority;
- cybercrimes and violations of copyright;
- corporate crimes;
- crimes of receiving, laundering and using money, goods or benefits of illicit origin and crimes relating to payment instruments other than cash;
- tax crimes;
- crimes against occupational safety and health
- environmental crimes;
- crimes relating to the employment of non-EU citizens.

The other crimes contemplated by Legislative Decree 231/2001 do not appear to be concretely applicable in the reality of the company.

The activities which, due to their intrinsic content, are considered most exposed to the commission of the Crimes referred to in Legislative Decree 231/2001, are listed in detail in the respective Special Parts.

Following the legislative evolution and/or that of the company's activity, the Supervisory Body has the power to identify any further activities at risk which may be included in the list of Sensitive Processes, within the constant updating and implementation work of the Model.

4.5 IMPLEMENTATION OF THE MODEL AND ITS REVISIONS

The Board of Directors of the Company adopts this Organisation and Management Model through a specific resolution; the Model is, therefore, an official document of the Company and as such must be known and complied with at all levels.

Through the implementation of the Model, therefore, the Company intends to ensure that its directors, employees and collaborators in any capacity do not commit crimes which may not only discredit the image of the Company itself, but may also lead to the application of the fines and/or bans that the Decree provides for in the event that such crimes are carried out for the benefit or in the interest of the Company.

This Model may be modified or integrated exclusively with a subsequent resolution of the Board of Directors, following a proposal and/or formal consultation with the Supervisory Body. The latter promptly reports to the Board of Directors any fact or circumstance encountered in its supervisory work that entails the need to review the contents of the Model, also proposing any changes.

5. THE SUPERVISORY BODY

5.1 ESTABLISHMENT AND REQUIREMENTS OF THE SUPERVISORY BODY

The task of continuously supervising the effective functioning and compliance with the Model, as well as proposing its updating, is entrusted to a body of the Company with autonomy and independence - including economic - in the exercise of its functions, with adequate professionalism in matters of control of risks relevant to the company's activities, as well as continuity of action.

The members of the Supervisory Body must, therefore, possess subjective requirements that guarantee the autonomy, independence, professionalism and honourability of the body itself in carrying out its activities.

The characteristic of the autonomy of initiative and control powers means that this body must be:

- **in a position of independence with respect to those whom it must supervise;**
- **without operational duties;**
- **equipped with financial autonomy.**

In particular, the Supervisory Body is a collegial body which:

- reports the results of its supervisory and control activities to the Board of Directors;
- is equipped with autonomous powers of intervention in the areas of competence. To this end, in addition to ensuring the continuous carrying out of the verification activity regarding the adequacy and suitability of the Model, the SB may make use of internal personnel and/or external collaborators;
- has an annual spending *budget* for exclusive use;
- operates according to the collegial method and has its own "operating regulations" drawn up and approved by the Body itself.

5.2 COMPOSITION

In view of the provisions above, the Supervisory Body cannot be the Board of Directors, which has management powers and is directly involved in the operational management of the Company. Furthermore, due to the peculiarity of the functions assigned and the areas to be monitored, it is believed that this task should not be assigned *tout court* to the Board of Statutory Auditors.

The Board of Directors therefore deemed that the composition of the Company's Supervisory Body which best responds to the requirements indicated by the Decree is the following: three (3) individuals with a high level of integrity and professionalism, two of whom are not belonging to the company and preferably chosen within the following professional categories: auditors; lawyers; employment consultants; experts in safety and environmental matters. The internal person can be identified in the Internal Auditor function, where present, or in any case in a person who, due to his/her qualifications and characteristics, allows the SB to remain constantly updated on the company situation.

Both employees and external professionals can be appointed as members of the Supervisory Body.

The professionalism of the Supervisory Body is ensured:

- by the specific professional skills of the members;
- by the right granted to the Supervisory Body to make use of autonomous financial resources in order to make use of external consultancy and the specific professionalism of the managers of the various company functions and Collaborators.

For the purposes of better knowledge and correct monitoring of the corporate context, the Supervisory Body may request the presence (even on a permanent basis) at its meetings of subjects such as, for example, the members of the Board of Directors, the Board of Trade Union and the managers of those corporate functions relevant to control issues. They participate in the meetings exclusively as guests.

5.3 APPOINTMENT AND DURATION IN OFFICE

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The Board of Directors appoints the Supervisory Body through a specific board resolution.

In order to guarantee the effective and constant implementation of the Model, as well as continuity of action, the duration of the assignment is set at three (3) years (only for the first year the validity will be 1 year), possibly renewable with resolution of the Board of Directors.

If the three years expired on a date following the renewal of the Board of Directors, it would end early with the dissolution of the Board of Directors, so that the new Board of Directors can decide freely regarding the appointment of the members of the Supervisory Body.

5.4 INCOMPATIBILITY, FORFEITURE, REVOCATION AND WITHDRAWAL

In order to guarantee the independence and autonomy requirements, the following are considered causes of **incompatibility** with the role of member of the Supervisory Body from the moment of appointment and for the entire duration of the office:

- be an executive and/or non-independent member of the Company's Board of Directors;
- have relationships of marriage, kinship or affinity up to the fourth degree as well as cohabitation with the following subjects:
 - a) members of the Board of Directors;
 - b) objects that perform representation, administration or management functions of the Company or of one of its organisational structures with financial and functional autonomy;
- maintain significant business relationships with the Company with the members of the Company's Board of Directors who have delegated powers;
- have been definitively convicted for the commission of one of the relevant crimes in compliance with the Decree (as well as administrative crimes or offences of a similar nature).
- have conflicts of interest, even potential, with the Company or with subsidiaries, which compromise their independence;

The aforementioned incompatibilities, subsequent incapacity and death represent hypotheses of automatic **forfeiture**.

Without prejudice to the hypotheses of automatic disqualification, the members of the Body can be **dismissed** exclusively by the Board of Directors for just cause.

They represent hypotheses of **just cause for dismissal**:

- a sentence of conviction of the Company pursuant to the Decree or a plea bargaining sentence, which has become final, where the documents show "*failure or insufficient supervision*" by the Supervisory Body, in accordance with the provisions of the art. 6, paragraph 1, letter. d) of the Decree;
- a sentence of conviction or plea bargaining issued against one of the members of the Supervisory Body for having committed one of the Crimes (or administrative crimes/offences of the same kind);
- the lack of confidentiality regarding the information of which they become aware in carrying out the assignment;
- failure to attend more than three consecutive meetings without justified reason;
- a blatant behaviour of lack of vigilance.

Each member of the SB may **withdraw** from the role at any time, by giving at least 1 (one) month's notice, without the need to give any reason.

In the event of resignation or automatic dismissal of an effective member of the Supervisory Body, the latter will promptly notify the Board of Directors, which will take the appropriate decisions as soon as possible.

The Supervisory Body is deemed to be divested of its authority if the majority of its members cease to exist due to resignation or other causes. In this case, the Board of Directors will appoint all the members *ex novo*.

5.5 FUNCTIONS, POWERS AND ACTIVITIES OF THE SUPERVISORY BODY

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The Supervisory Body has the **function** of constantly monitoring:

- compliance with the Model by all Recipients;
- the adequacy of the Model in relation to the actual ability to prevent the commission of the crimes referred to in the Decree;
- the effective implementation of the provisions of the Model in carrying out the Company's activities;
- the updating of the Model, on the implementation and actual functionality of the hypothesised solutions (follow-up), proposing to the Company's Board of Directors any changes where there are needs to adapt to the Model, in relation to changes in the structure and corporate organisation, the regulatory framework of reference or other significant events.

The Supervisory Body must be able to act in complete autonomy to verify the preventive effectiveness and actual implementation of the Model.

The Supervisory Body has free access to all company documentation.

The Body has autonomous spending powers on the basis of an annual *budget* approved by the Board of Directors, upon proposal of the Body itself, giving evidence to the Board of Directors of the expenses incurred.

The Body may commit resources that exceed its spending powers in the presence of exceptional and urgent situations, with the obligation to inform the Board of Directors at the immediately following meeting.

In carrying out its activities, the Body may make use of Company's employees and/or external specialised professional personnel, however, always remaining directly responsible for the fulfilment of the supervisory and control obligations deriving from the Decree.

In particular, the Supervisory Body has the following **powers**:

- a) request information and documentation from all recipients of the Model regarding the operations and actions carried out in the areas at risk of committing crimes;
- b) adopt and/or activate control procedures in order to verify compliance with this Model;
- c) carry out random checks on certain operations and/or specific acts carried out in areas at risk of committing crimes;
- d) carry out fact-finding investigations in order to identify and/or update the "areas at risk" of committing crimes;
- e) promote and/or develop, together with the company functions responsible for this, suitable initiatives for the dissemination, knowledge and understanding of this Model;
- f) provide clarifications and instructions for compliance with this Model;
- g) consult with other company functions and/or external consultants in order to guarantee the effectiveness of the Model;
- h) collect, process and store information relating to this Model;
- i) have the appropriate resources for the development, monitoring and assessment of the effectiveness of the Model.

In detail, the Supervisory Body carries out the following **activities**:

- periodically verify the completeness and correctness of the mapping of areas potentially at risk of crime ("sensitive activities"), in order to adapt them to changes in the business activity and/or company structure. To this end, any situations that may expose the Company to the risk of committing one of the crimes referred to in the Special Parts of this Model must be reported to the Supervisory Body by management and those who carry out control activities. All communications must be made in written form and within the times and with the transmission methods defined by the Supervisory Body;
- plan and periodically carry out checks aimed at verifying the provisions of the Model, in particular ensuring that the procedures and controls envisaged are implemented and documented in a compliant manner and that the ethical principles are complied with and that the safeguards and procedures maintain their effectiveness over time. In carrying out the aforementioned checks and its tasks in general, the Supervisory Body may delegate some particularly complex technical tasks to third parties, after informing the Board of Directors;

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- periodically carry out checks aimed at monitoring certain operations or specific acts carried out as part of sensitive activities. The results of these checks must be the subject of a specific report, which will be an integral part of the written report on the activity;
- assess the implementation and actual functionality of the hypothesised solutions (follow-up);
- examine proposals to modify and/or update the Model, as well as, if requested, also the procedures, and transmit any observations in this regard;
- ensure the constant updating of the Model, proposing to the Board of Directors the changes and/or updates to be made to it, as well as any updating of the Mapping of Sensitive Activities;
- examine any reports of alleged violations of the Model and the Code of Ethics and carry out the investigations deemed necessary or appropriate in relation to the reports received;
- periodically report to the Board of Directors on the implementation status and operation of the Model, as provided for in 5.6.

The Supervisory Body then carries out any further investigations or activities it deems appropriate to verify the effective application of the Model. Due to the supervisory activity attributed to the Supervisory Body in this Model, this body is guaranteed free access to all company documentation that it deems relevant for the purpose of monitoring all processes, as well as to all relevant areas of the factories.

Meetings: the Supervisory Body meets at least three times a year. The meetings are held in person, by video or teleconference (or in combination) and, in any case, whenever the person deems it necessary.

5.6 REPORTING AND REPORTS FROM THE SUPERVISORY BODY

The Supervisory Body immediately communicates to the Board of Directors any significant problems arising from the supervisory activity carried out and at least annually reports to the Board of Directors in writing on the activity carried out and the results thereof.

The Supervisory Body may further be invited to periodically report to the Board of Directors on its activities.

The Supervisory Body safeguards the reports generated by the surveillance and verification activities carried out by meeting at least once a year.

5.7 INFORMATION FLOWS TO THE SUPERVISORY BODY, REPORTING AND WHISTLEBLOWING

All Recipients of the Model are required to collaborate for its full and effective implementation by immediately reporting any news of an alleged crime and any alleged violation of the Model or of the procedures established for its implementation.

The Decree sets out, among the requirements that the Model must satisfy, the provision of information obligations towards the Supervisory Body (art. 6, paragraph 2, letter d).

To this end, the following information must be communicated to the Supervisory Body:

- on a periodic basis, information, data, the state of implementation of the protocols for preventing risky activities, news and documents according to the methods and timescales defined by the Body itself by the Managers of the functions affected by the sensitive or of those who are expressly requested by the Organisation itself;
- as part of the verification activities of the Supervisory Body, any information, data, news and documents deemed useful and/or necessary for carrying out said checks and controls, previously identified by the Body and formally requested;
- the reasoned indication of any need for changes to the Model or its protocols;
- on an occasional basis, any other information, of any nature, which may be useful for the purposes of carrying out the tasks of the Body (so-called **reports**), relating to the implementation of the Model and/or the Code of Ethics in the areas of activity at risk of crime (including violations of procedures), as well as relating to compliance with the provisions of the Decree. All Recipients of the Model are required to make these reports.

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The Company has adopted a specific procedure ("REPORTING PROCEDURE") with particular reference to the provisions of the art. 6, paragraph 2-bis (the so-called "**whistleblowing**"), in terms of reports of illicit conduct relevant pursuant to the Decree and based on serious, precise and consistent factual elements or violations of the Organisation and Management Model adopted, of which they became aware due to the functions carried out,

This procedure is aimed at all Recipients of the MOG and illustrates the reporting methods and the channels that the reporting parties can use to contact the Supervisory Body, through written communication deposited in a specific box or sent by e-mail to the address odvbbm@gmail.com.

These methods of transmitting reports are aimed at guaranteeing maximum confidentiality of the identity of the whistleblowers in the management of the report, also in order to avoid retaliations or any other form of discrimination or penalisation against them.

The Supervisory Body, as well as the subjects of which the Body, in any capacity, makes use, are bound to the obligation of confidentiality with reference to the data of the reporting party, as well as to all the information of which they have become aware in the exercise of their functions or activities, without prejudice to legal obligations and the protection of the rights of the Company or of persons accused erroneously and/or in bad faith.

In accordance, the Company guarantees the protection of whistleblowers against any form, direct or indirect, of retaliation, discrimination or penalisation, application of sanctioning measures, demotion, dismissal, transfer or subjection to other organisational measures having negative effects, direct or indirect, on the conditions of work for reasons connected, directly or indirectly, to the report.

5.8 REPORTING AND INFORMATION FLOWS FROM THE SUPERVISORY BODY

The Supervisory Body reports on its activities to the Board of Directors by annually drafting a descriptive report containing a summary of all the activities carried out during the year, the controls and checks carried out, as well as the Activity Plan.

The Supervisory Body may further be invited to report, if necessary, to the Board of Directors regarding its activities.

The Supervisory Body must, without delay, communicate to the Board of Directors any behaviour/actions detected in violation of the Model and/or the Code of Ethics and/or company procedures, in order to:

- acquire all the elements to make any communications to the structures responsible for the assessment and application of disciplinary sanctions;
- avoid the recurrence of the event, giving indications for the removal of the deficiencies.

As part of this activity, the Supervisory Body can also avail itself of the support of the company functions that can collaborate in the assessment activity and in the identification of actions aimed at preventing the repetition of violations of the Model.

The Supervisory Body has the obligation to immediately inform the Statutory Auditor if the violation concerns the top management of the Company and/or a member of the Board of Directors.

Copies of the minutes and reports provided for in this paragraph will be kept by the Supervisory Body.

6. SANCTION SYSTEM

6.1 GENERAL PRINCIPLES

The definition of a system of sanctions (commensurate with the violation and providing deterrence) applicable in the event of violation of the rules referred to in this Model guarantees the effectiveness of the 231 System. The definition of this disciplinary system constitutes, in fact, pursuant to art. 6 first paragraph letter e) of the Legislative Decree 231/2001, an essential requirement of the Model itself for the purposes of exemption from the Company's liability.

Compliance with the provisions of the Model is valid and binding in the context of employment or assignment relationships of any type and nature, including those with Directors, Auditors, managers, project collaborators, part-time workers, as well as in other collaboration contracts.

The application of disciplinary sanctions for violation of company rules of conduct is independent of the outcome of the criminal proceedings, as these rules are adopted by the Company in full autonomy and regardless of the offence that any conduct may cause.

By way of example, the following behaviours constitute disciplinary infractions:

- the violation, even through omissions and in possible collaboration with others, of the principles and procedures envisaged by this Model or established for its implementation;
- the drafting, possibly in collaboration with others, of untruthful documentation;
- the facilitation, through omissive conduct, of the drafting by others of untruthful documentation;
- failure to prepare the documentation required by this Model or by the procedures established for its implementation;
- the removal, destruction or alteration of the documentation relating to the procedure to avoid the control system envisaged by the Model;
- the obstacle to the supervisory activity of the Supervisory Body or of the subjects it uses;
- preventing access to the information and documentation requested by the subjects responsible for monitoring procedures and decisions;
- the implementation of any other conduct suitable for eluding the control system envisaged by the Model.

The application of sanctions is inspired by the principle of proportionality and graduality.

In particular, in identifying the sanction, the objective and subjective aspects of the relevant conduct will be taken into account.

In detail, from an objective point of view and in terms of graduality, the following will be taken into account:

- violations of the Model that did not lead to exposure to risk or led to modest exposure to risk;
- violations of the Model that resulted in appreciable or significant exposure to risk;
- violations of the Model which included a criminal fact.

Furthermore, the relevant conduct takes on greater or lesser gravity in relation to the circumstances in which the act was committed and the following subjective aspects:

- commission of multiple violations with the same conduct;
- recidivism of the agent;
- level of hierarchical and/or technical responsibility of the subject to whom it refers
- the disputed conduct;

sharing of responsibility with other subjects competing in the violation of the procedure.

6.2 VIOLATIONS BY EMPLOYEES

The violation, by Employees subject to the CCNL applied in the company, of the individual behavioural rules referred to in this Model constitutes a disciplinary offence.

The disciplinary measures that can be imposed on said workers - in compliance with the procedures established by article 7 of law 30 May 1970, n. 300 (Workers' Statute) and any

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applicable special regulations - are those provided for by the sanctioning system of the aforementioned CCNL, and precisely:

- verbal warning;
- written warning;
- fine;
- suspension from work and pay for up to a maximum of three days;
- layoff.

All the provisions envisaged on the matter by the CCNL and relating to the procedures and obligations to be complied with in the application of sanctions pursuant to Law 300/1970 remain unchanged - and are intended to be referred to here.

As regards the investigation of infringements, disciplinary proceedings and the imposition of sanctions, the powers already conferred, within the limits of their respective competence, on the Board of Directors remain unchanged.

Without prejudice to the obligations for the Company arising from the Workers' Statute and the applied CCNL, the sanctionable behaviours are the following:

- violation of internal procedures envisaged or referred to in this Model (for example non-compliance with the prescribed procedures, failure to communicate to the Supervisory Body regarding required information, failure to carry out checks, etc.) or implementation, in the performance of activities related to the Sensitive Processes, of behaviours that do not comply with the provisions of the Model or the procedures referred to therein;
- violation of internal procedures envisaged or referred to by this Model or adoption, in the performance of activities connected to Sensitive Processes, of conduct that does not comply with the provisions of the Model or the procedures referred to therein which expose the Company to an objective situation of risk of commission of one of Crimes;
- adoption, in carrying out activities related to Sensitive Processes, of behaviours that do not comply with the provisions of this Model, or with the procedures referred to therein, and unequivocally aimed at the commission of one or more Crimes;
- adoption, in carrying out activities related to Sensitive Processes, of behaviours clearly in violation of the provisions of this Model, or of the procedures referred to therein, such as to determine the concrete application against the Company of sanctions provided for by Legislative Decree 231/2001.

The sanctions and any request for compensation for damages will be proportionate to the level of responsibility and autonomy of the Employee, the possible existence of disciplinary precedents against the same, the intentionality of his behaviour, as well as the seriousness of the same, by this meaning the level of risk to which the Company can reasonably be considered exposed - pursuant to and for the purposes of Legislative Decree 231/2001 - following the censored conduct and in any case within the limits imposed by the CCNL for employees of small and medium-sized metalworking companies and plant installation industries, Chapter X - Disciplinary rules and termination of the employment relationship, art. 69 et seq.

The disciplinary system is subject to constant verification and evaluation by the Supervisory Body and the Board of Directors; the latter remains responsible for the concrete application of the disciplinary measures outlined here upon reporting by the Supervisory Body.

Without prejudice to the company's obligations deriving from the Workers' Statute, the behaviors that constitute a violation of the Model, accompanied by the related sanctions, are the following:

- a) a worker who violates one of the internal procedures established by the Model (for example, who does not observe the prescribed procedures, fails to communicate the prescribed information to the Supervisory Body, fails to carry out checks, etc.) or adopts behaviour that does not comply with the provisions of the Model itself when carrying out activities in Sensitive Processes incurs the provision of "verbal warning". Such behaviour constitutes a failure to comply with the provisions issued by the Company;
- b) a worker who is a repeat offender in violating the procedures set out in the Model or in implementing, when carrying out activities included in the Sensitive Processes, a behaviour that does not comply with the provisions of the Model incurs the provision of a "written warning". Such behaviour constitutes a repeated failure to comply with the provisions issued by the Company;

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- c) the worker who violates the internal procedures established by the Model, or adopts a behaviour that does not comply with the provisions of the Model in carrying out activities in Sensitive Processes, incurs a “fine” measure, not exceeding the amount of 3 hours of normal pay exposes the integrity of company assets to a situation of objective danger. Such conduct, carried out with failure to comply with the provisions issued by the Company, determines a situation of danger for the integrity of the Company’s assets and/or constitutes acts contrary to its interests;
- d) a worker who, in violating the internal procedures set out in the Model, or in carrying out activities in the Sensitive Processes, adopts a behaviour that does not comply with the provisions of the Model, causes damage to the Company by carrying out acts contrary to its interests, or the worker who is a repeat offender more than the third time in the calendar year in the shortcomings referred to in points 1, 2 and 3. Such conduct, carried out due to failure to comply with the provisions issued by the Company, causes damage to the Company’s assets and/or constitutes acts contrary to its interests;
- e) a worker who adopts a behaviour that does not comply with the provisions in the performance of Sensitive Processes activities, incurs the provision of “dismissal with notice” (with the employer’s right to immediate exemption from work activity by providing for the payment of the relevant payments) of the Model and aimed unequivocally at the commission of a crime sanctioned by Legislative Decree 231/2001. This behaviour constitutes a serious failure to comply with the provisions given by the Company and/or a serious violation of the worker’s obligation to cooperate for the prosperity of the Company;
- f) The worker who adopts behaviour in violation of the provisions of the Model in the performance of activities in the Sensitive Processes, such as to determine the concrete application by the Company of the measures provided for by Legislative Decree 231/2001, incurs the provision of “dismissal without notice”, as well as the worker who repeats the violations referred to in point d) more than the third time in the calendar year. This behaviour radically undermines the Company’s trust in the worker, constituting serious moral and/or material harm to the company.

6.3 VIOLATION BY CORPORATE BODIES

If the violation concerns a Director of the Company, the Supervisory Body must immediately notify the Board of Directors and the Board of Statutory Auditors, through a written report.

The Board of Directors may apply against Directors who have committed a violation of the Model or of the procedures established to implement it, any suitable measure permitted by law, including the following sanctions, determined depending on the seriousness of the fact and the fault, as well as the consequences that have arisen for the Company:

- formal written warning;
- revocation, total or partial, of any delegations/powers of attorney.

If the violation of the director is such as to damage the Company’s trust in him/her, the Board of Directors convenes the Assembly, proposing the revocation from office and the possible adoption of the liability actions provided for by law.

Upon learning of a violation of the provisions and rules of conduct of the Model by members of the Board of Statutory Auditors, the Supervisory Body must promptly inform the entire Board of Directors and the Board of Statutory Auditors of the incident, for the adoption of any further appropriate initiative.

The Board of Statutory Auditors will proceed with the necessary checks and may take, in compliance with the law and the Articles of Association, in agreement with the Board of Directors, the appropriate measures, such as, for example, convening the Shareholders’ Meeting for the revocation and social action of liability pursuant to art. 2407 of the Italian Civil Code.

In any case, the Company’s right to take action for compensation for the greater damage suffered due to the mayor’s behaviour remains unaffected.

6.4 VIOLATION BY EXTERNAL COLLABORATORS

In case of violation of the Model by Collaborators or commercial partners and in relation to the seriousness of the violation, the Supervisory Body, together with the Board of Directors, will assess

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whether to terminate the existing relationship and will impose any sanction provided for by the contract by virtue of specific clauses contained therein. These clauses may also provide for the right to terminate the contract and/or the payment of penalties.

6.5 SANCTIONS PURSUANT TO ART. 6, PARAGRAPH 2.BIS OF THE DECREE (“WHISTLEBLOWING”)

With reference to the sanctioning system relating to the correct management of reports of offences pursuant to art. 6, paragraph 2-bis, Legislative Decree 231/2001 (the so-called “Whistleblowing”), the following are foreseen:

- sanctions to protect the whistleblower for those who carry out retaliatory or discriminatory acts, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the reporting;
- sanctions against those who make, with intent or gross negligence, reports that prove to be unfounded.

The sanctions are defined in relation to the role of the recipient of the same, as indicated in the previous paragraphs.

7. DISSEMINATION OF THE MODEL: INFORMATION AND TRAINING

The Company carries out communication and training activities with reference to this Model, aimed at guaranteeing the disclosure to all Recipients of the main contents of the Decree and the obligations deriving from it. This disclosure will take place through the means and forms that the Company deems most appropriate, also based on the type of Recipients.

Each recipient of the Model is required to know and observe the principles and rules of the Model and to promptly comply with all its provisions, also in fulfilment of the duties of loyalty, fairness and diligence that arise from the legal relationships established with the Company. The Company condemns any behaviour that differs not only from the law but also from the provisions of the Model and the Code of Ethics, especially if such behaviour is carried out in the company's interest, or with the intention of bringing an advantage to the Company.

The company disseminates the General Part of the Model and the Code of Ethics as widely as possible.

With particular reference to the different categories of Recipients, the following is specified.

7.1 BPDIES WITH MANAGEMENT, ADMINISTRATION, CONTROL FUNCTIONS AND EMPLOYEES

For the purposes of the effectiveness of this Model, it is the Company's objective to guarantee correct knowledge and dissemination of the rules of conduct contained therein towards all employees and all subjects with management, administration, direction and control functions.

This objective concerns both the resources already present in the company and those who will be part of it in the future.

The level of training and communication is implemented with a different degree of depth, in relation to the different level of involvement of the resources themselves in sensitive activities.

The Board of Directors establishes the specific training programme for this Model, and personally verifies that it is adequate and effectively implemented. This training programme is part of the more general information and training programme aimed at the Company's staff, which is prepared annually.

7.2 EXTERNAL COLLABORATORS - THIRD PARTIES

The principles and contents of the Model and the Code of Ethics are also brought to the attention of all subjects who, although not employed by the company, operate on its behalf, carrying out services in its interest, such as external collaborators, agents, suppliers, or other subjects who have contractual relationships with the company which imply the carrying out of activities in favour or on behalf of the same.

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The commitment to respect the law and the reference principles of the Model on the part of these subjects must be provided for in a specific clause of the relevant contract.

This clause must also provide the company with the right to proceed with the application of forms of self-defence (for example termination of the contract, application of penalties, etc.) where a violation of the principles and contents of the Model is identified.

The Company will evaluate the most relevant cases in which to require third parties to comply with requests for information or the production of documents formulated by the Company's Supervisory Body and to report violations by the Company directly to the Company's Supervisory Body. third parties of the Model, of the principles set out in the Code of Ethics or of the procedures established for their implementation.