

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

PWG S.R.L.

**ORGANISATION, MANAGEMENT AND
CONTROL MODEL (LEGISLATIVE DECREE
NO. 231/2001)**

Adopted with the Minutes of the Board of Directors of 2/12/2024

GENERAL PART

SUMMARY

1 DESCRIPTION OF THE REGULATORY FRAMEWORK	4
1.1 Introduction.....	4
1.2 Nature of liability.....	4
1.3 Offenders: subjects in a top position and subjects subject to the direction of others	5
1.4 Crime	5
1.5 Sanctioning system	7
1.6 Attempted crimes.....	8
1.7 Changes to the entity	8
1.8 Offences committed abroad.....	8
1.9 Organization, management and control models	9
1.10 Codes of conduct prepared by the associations representing the entities	10
1.11 Suitability Syndicate.....	10
2 DESCRIPTION OF THE COMPANY: ELEMENTS OF THE GOVERNANCE MODEL AND THE GENERAL GOVERNANCE STRUCTURE OF PWG S.R.L	11
2.1. PWG s.r.l	11
2.2. Governance of PWG s.r.l.....	12
2.3. Control protocols for the formation and implementation of decisions	12
2.3. Protocols on how financial resources are managed	13
3 ORGANISATION, MANAGEMENT AND CONTROL MODEL AND METHODOLOGY FOLLOWED FOR ITS PREPARATION.....	14
3.1. Premise	14
3.2 Definition of the Organization, Management and Control Model in accordance with Legislative Decree 231/2001	15
3.3. Internal Control and Risk Management System	16
3.5 Integration of Control and Risk Management Systems	18
4 THE SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE NO. 231/2001	19
4.1. The Supervisory Body	19
5 DISCIPLINARY SYSTEM.....	21
5.1 Function of the disciplinary system.....	21
6 TRAINING AND COMMUNICATION PLAN.....	25
7 CRITERIA FOR UPDATING AND ADAPTING THE MODEL	27

SPECIAL PARTS

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

SPECIAL PART A – Public Administration Crimes SPECIAL

PART B – Computer Crimes

SPECIAL PART C – Industry and Commerce Crimes

SPECIAL PART D – Copyright Crimes SPECIAL

PART E – Corporate Crimes

SPECIAL PART F – Receiving stolen goods, money laundering and self-laundering SPECIAL PART G – Tax Crimes

SPECIAL PART H – Smuggling Offences

SPECIAL PART I – Crimes against the Individual Personality

SPECIAL PART L – Employment of foreign citizens

SPECIAL PART M – Occupational Health and Safety

SPECIAL PART N – Environment

ATTACHMENTS

ANNEX 1 – Code of Ethics ANNEX 2 –

Catalogue of Offences ANNEX 3 –

Organisation chart ANNEX 4 – Risk

Assessment

ANNEX 5 – Risk Assessment Methodology ANNEX

6 – Information Flow Procedure ANNEX 7 – Statute

of the Supervisory Body ANNEX 8 – Whistleblowing

Procedure

ANNEX 9 – Declaration of delivery of the Model to employees and collaborators

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

DOCUMENT REVISIONS

DATE	COMMENT
2/12/2024	Adoption of the Organization, Management and Control Model of PWG s.r.l.

CHAPTER 1

1 DESCRIPTION OF THE REGULATORY FRAMEWORK

1.1 Introduction

With Legislative Decree No. 231 of 8 June 2001 (hereinafter, "Legislative Decree No. 231/2001"), in implementation of the delegation conferred on the Government by art. 11 of Law No. 3001 of 29 September 2000, the regulation of the "*liability of entities for administrative offences dependent on crime*" was dictated.

In particular, this regulation - of Community origin - applies to entities with legal personality and to companies and associations, including those without legal personality; these entities may be held "responsible" for certain crimes committed or attempted, in the interest or to the advantage of the same, by members of the company's top management (the so-called "top management" or simply "top management" subjects) and by those who are subject to the management or supervision of the latter (Article 5, paragraph 1, of Legislative Decree 231/2001).

The administrative liability of companies is autonomous from the criminal liability of the natural person who committed the crime and is associated with the latter.

This extension of liability essentially aims to involve in the punishment of certain crimes the assets of the companies and, ultimately, the economic interests of the shareholders, who, until the entry into force of the decree in question, did not suffer direct consequences from the commission of crimes committed, in the interest or to the advantage of their company, by directors and/or employees.

Legislative Decree 231/2001 innovates the Italian legal system in that both pecuniary and disqualification sanctions are now applicable to companies, directly and autonomously, in relation to crimes ascribed to persons functionally linked to the company pursuant to art. 5 of the decree.

The administrative liability of the company is, however, excluded if the company has, among other things, adopted and effectively implemented, before the commission of the offences, **organisational, management and control models suitable for preventing the offences themselves**; these models can be adopted on the basis of codes of conduct (guidelines) drawn up by the associations representing the companies, including Confindustria, and communicated to the Ministry of Justice.

The administrative liability of the company is, in any case, excluded if the top management and/or their subordinates have acted in their own exclusive interest or in the interest of third parties.

1.2 Nature of liability

With reference to the nature of administrative liability pursuant to Legislative Decree 231/2001, the Explanatory Report to the decree underlines the "birth of a *tertium genus* that combines the essential features of the criminal and administrative systems in an attempt to reconcile the reasons of preventive effectiveness with those, even more inescapable, of the maximum guarantee".

Legislative Decree 231/2001 has, in fact, introduced into our legal system a form of liability of companies of an "administrative" type – in compliance with the dictate of art. 27 of our Constitution – but with numerous points of contact with a "criminal" liability.

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

¹ Legislative Decree 231/2001 is published in the Official Gazette of 19 June 2001, no. 140, Law 300/2000 in the Official Gazette of 25 October 2000, no. 250.

In this sense, see – among the most significant – arts. 2, 8 and 34 of Legislative Decree 231/2001 where the former reaffirms the principle of legality typical of criminal law; the second affirms the autonomy of the liability of the entity with respect to the ascertainment of the responsibility of the natural person who is the author of the criminal conduct; the third provides for the circumstance that that liability, dependent on the commission of a crime, is established in the context of criminal proceedings and is, therefore, assisted by the guarantees proper to criminal proceedings. Consider, moreover, the afflictive nature of the sanctions applicable to the company.

1.3 Offenders: subjects in a top position and subjects subject to the direction of others

As mentioned above, according to Legislative Decree 231/2001, the company is liable for crimes committed in its interest or to its advantage:

- by "persons who hold representation, administration or management functions of the entity or of one of its organizational units endowed with financial and functional autonomy as well as by persons who exercise, even de facto, the management and control of the entity itself" (the above-defined subjects "in a top" or "**top position**"; Article 5, paragraph 1, letter a) of Legislative Decree 231/2001);
- by persons subject to the direction or supervision of one of the top management (the so-called "S.C. **subjects subject to the direction of others**"; art. 5, paragraph 1, letter b), of Legislative Decree 231/2001).

It is also appropriate to reiterate that the company is not liable, by express legislative provision (Article 5, paragraph 2, of Legislative Decree 231/2001), if the persons indicated above have acted in their own exclusive interest or in the interest of third parties.

1.4 Crime

On the basis of Legislative Decree no. 231/2001, the entity can only be held liable for the crimes expressly referred to in Legislative Decree no. 231/2001, if committed in its interest or to its advantage by qualified persons pursuant to Article 5, paragraph 1, of the Decree itself or in the case of specific legal provisions that refer to the Decree, as in the case of Art. 10 of Law no. 146/2006.

The cases can be included, for ease of exposition, in the following categories²:

- A. Offences committed in relations with the Public Administration (Articles 24 and 25);
- B. Computer crimes and unlawful data processing (art. 24-bis);
- C. Crimes of organized crime (art. 24-ter);
- D. Offences of counterfeiting coins, public credit cards, revenue stamps and identification instruments or signs (Article 25-bis);
- E. Crimes against industry and commerce (art. 25-bis.1);
- F. Corporate crimes, including the crime of corruption between private individuals and incitement to corruption between private individuals (Article 25-ter);
- G. Crimes with the purpose of terrorism or subversion of the democratic order (art. 25-quarter);
- H. Practices of mutilation of the female genital organs (art. 25-quarter.1);

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

² For the sake of space savings, reference is made to the previous versions of the Model for the regulatory and descriptive references of the succession of interventions by the legislator that have led to the current structure of the Catalogue of Offences 231.

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

- I. Crimes against the individual personality (art. 25-quinquies);
- J. Market abuse (art. 25-sexies);
- K. Manslaughter and serious or very serious culpable injuries, committed in violation of the rules for the protection of health and safety at work (art. 25-septies);
- L. Receiving stolen goods, laundering and use of money, goods or utilities of illegal origin as well as self-laundering (art. 25-octies);
- M. Offences relating to means of payment other than cash (art. 25-octies.1);
- N. Offences relating to copyright infringement (Article 25-novies);
- O. Inducement not to make declarations or to make false declarations to the Judicial Authority (art. 25-decies);
- P. Environmental crimes (art. 25-undecies);
- Q. Offences relating to the employment of illegally staying third-country nationals and offences relating to illegal immigration (Article 25-duodecies);
- R. Crimes of racism and xenophobia (art. 25-terdecies);
- S. Fraud in sports competitions, abusive exercise of gaming or betting and games of chance exercised by means of prohibited machines (art. 25-quaterdecies);
- T. Tax offences (Article 25-quinquiesdecies);
- U. Transnational crimes (art. 10, Law 146/2006);
- V. Contrabbando (art. 25-sexiesdecies);
- W. Crimes against cultural heritage (art. 25-septiesdecies);
- X. Laundering of cultural property and devastation and looting of cultural and landscape property (art. 25-octiesdecies).

The categories listed above are destined to increase further, also in compliance with international and EU obligations.

Annex 2 (Catalogue of Crimes)	Annex 2 (Catalogue of Crimes) contains an updated description of the aforementioned types of crime, characterized by heterogeneity of conduct, with the consequent partial application of the same depending on the activity carried out by each company.
Attachment 4 (Crimes relevant for PWG and Risk Assessment)	In this regard, Annex 4 (Offences relevant to PWG and Risk Assessment) contains a list of the offences contained in the Catalogue that represent actual relevance, in relation to the activities carried out by PWG; The list is accompanied by

	examples directly related to these activities.
--	--

Each category groups together the types of offences specifically indicated in Legislative Decree no. 231/2001;

1.5 Sanctioning system

Arts. 9 - 23 of Legislative Decree 231/2001 against the company as a result of the commission or attempted commission of the above-mentioned offences the following sanctions:

- financial penalty (and precautionary seizure);
- disqualification sanctions (also applicable as a precautionary measure) lasting not less than three months and not more than two years (with the clarification that, pursuant to Article 14, paragraph 1, Legislative Decree 231/2001, "*Disqualification sanctions have as their object the specific activity to which the entity's offence refers*") which, in turn, may consist of:
 - prohibition from exercising the activity;
 - suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
 - prohibition of contracting with the public administration, except to obtain the provision of a public service;
 - exclusion from facilitations, financing, contributions or subsidies and the possible revocation of those granted;
 - prohibition of advertising goods or services;
 - confiscation (and preventive seizure in precautionary proceedings);
 - publication of the judgment (in the event of the application of a disqualification sanction).

The financial penalty is determined by the criminal court through a system based on "quotas" in number of not less than one hundred and not more than one thousand and of an amount ranging from a minimum of € 258.22 to a maximum of € 1549.37. In calculating the financial penalty, the judge determines:

- the number of shares, taking into account the seriousness of the act, the degree of responsibility of the company and the activity carried out to eliminate or mitigate the consequences of the act and to prevent the commission of further offences;
- the amount of the individual share, based on the economic and financial conditions of the company.

Disqualification sanctions apply only in relation to crimes for which they are expressly provided for (these are in particular: crimes against the public administration, certain crimes against public faith such as counterfeiting of coins, crimes relating to terrorism and subversion of the democratic order, crimes against the individual personality, crimes relating to safety and health at work, transnational crimes and cybercrime offences) and provided that at least one of the following conditions is met:

- a) the company has made a significant profit from the commission of the crime and the crime has been committed by persons in a top position or by persons subject to the management of others when, in the latter case, the commission of the crime has been determined or facilitated by serious organizational deficiencies;
- b) in the event of repetition of offences.

The judge determines the type and duration of the disqualification sanction taking into account the suitability of the individual sanctions to prevent offences of the type committed and, if necessary, may apply them jointly (Article 14, paragraph 1 and paragraph 3, Legislative Decree 231/2001).

The sanctions of disqualification from carrying out the activity, prohibition from contracting with the public administration and prohibition from advertising goods or services can be applied - in the most serious cases

- definitively. It should also be noted that the company's activities may continue (instead of the imposition of the sanction) by a commissioner appointed by the judge pursuant to and under the conditions set out in art. 15 of Legislative Decree 231/2001.

1.6 Attempted crimes

In the event of the commission of crimes sanctioned on the basis of Legislative Decree 231/2001, the financial penalties (in terms of amount) and disqualification sanctions (in terms of duration) are reduced from one third to one-half.

The imposition of sanctions is excluded in cases where the entity voluntarily prevents the performance of the action or the realization of the event (Article 26 of Legislative Decree 231/2001). The exclusion of sanctions is justified, in this case, by virtue of the interruption of any relationship of identification between the entity and the subjects who assume to act in its name and on its behalf.

1.7 Changes to the entity

Legislative Decree 231/2001 regulates the regime of the financial liability of the entity also in relation to the events of modification of the entity such as transformation, merger, demerger and transfer of business.

In the event of a conversion, the liability of the entity for crimes committed prior to the date on which the transformation took effect remains unaffected.

In the event of a merger, the entity resulting from the merger (including by incorporation) is liable for the offences for which the entities participating in the merger were responsible.

In the event of a partial demerger, the demerged company remains liable for offences committed prior to the date on which the demerger took effect.

The entities benefiting from the demerger (both total and partial) are jointly and severally liable to pay the financial penalties due by the demerged entity for offences committed prior to the date on which the demerger took effect, up to the actual value of the net assets transferred to the individual entity.

This limit does not apply to beneficiary companies, to which the branch of activity in which the offence was committed is devolved, even if only in part.

1.8 Offences committed abroad

According to art. 4 of Legislative Decree 231/2001, the entity may be called upon to answer in Italy in relation to crimes - contemplated by the same Legislative Decree 231/2001 - committed abroad in the presence of the following conditions:

- (i) the crime must be committed by a person functionally linked to the entity, pursuant to art. 5, paragraph 1, of Legislative Decree 231/2001;

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

- (ii) the entity must have its main office in the territory of the Italian State;

- (iii) the entity may respond only in the cases and under the conditions provided for by articles 7, 8, 9, 10 of the Criminal Code (in cases where the law provides that the culprit - a natural person - is punished at the request of the Minister of Justice, proceedings are taken against the entity only if the request is also made against the entity itself) and, also in compliance with the principle of legality referred to in art. 2 of Legislative Decree 231/2001, only in the face of crimes for which his liability is provided for by an *ad hoc legislative provision*;
- (iv) if the cases and conditions referred to in the aforementioned articles of the Criminal Code are met, the State of the place where the act was committed does not proceed against the entity.

1.9 Organization, management and control models

A fundamental aspect of Legislative Decree 231/2001 is **the attribution of an exempt value to the company's organization, management and control models**. In the event of a crime committed by a person in a top position, in fact, the company is not liable if it proves that (Article 6, paragraph 1, Legislative Decree 231/2001):

- the management body has adopted and effectively implemented, before the commission of the act, organizational and management models suitable for preventing crimes of the kind that occurred;
- the task of supervising the functioning and compliance of the models and of ensuring that they are updated has been entrusted to a body of the company with autonomous powers of initiative and control;
- the persons committed the crime by fraudulently circumventing the organizational and management models;
- there was no omission or insufficient supervision by the Supervisory Body.

The company must, therefore, demonstrate its extraneousness to the facts alleged against the top management by proving the existence of the above-listed requirements and, consequently, the circumstance that the commission of the crime does not derive from its own "organizational fault".

On the other hand, in the case of a crime committed by persons subject to the direction or supervision of others, the company is liable if the commission of the crime was made possible by the violation of the management or supervisory obligations to which the company is required.

In any case, the violation of management or supervisory obligations is excluded if the company, before the commission of the crime, has adopted and effectively implemented an organizational, management and control model suitable for preventing crimes of the kind that occurred. Here we are witnessing a reversal of the burden of proof on the prosecution, which will have to, in this case, prove the failure to adopt and effectively implement a model of organization, management and control suitable for preventing crimes of the kind that occurred.

Further requirements for the effective implementation of organizational models are:

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

Legislative Decree 231/2001 outlines the content of the organisational and management models, providing that the same, in relation to the extension of delegated powers and the risk of committing

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

offences, as specified by art. 6, paragraph 2, must:

- identify the activities in the context of which crimes may be committed;

- provide for specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the crimes to be prevented;
- identify methods of managing financial resources suitable for preventing the commission of crimes;
- provide for information obligations towards the body responsible for supervising the operation and compliance with the models;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model.

1.10 Codes of conduct prepared by the associations representing the entities

Article 6, paragraph 3, of Legislative Decree 231/2001 provides that *"The organisational and management models may be adopted, guaranteeing the requirements referred to in paragraph 2, on the basis of codes of conduct drawn up by the associations representing the entities, communicated to the Ministry of Justice which, in agreement with the competent Ministries, may formulate, within thirty days, observations on the suitability of the models to prevent crimes"*.

PWG s.r.l. has adopted and updated its organisation, management and control model on the basis of the Confindustria Guidelines, approved by the Ministry of Justice, issued by this Association in June 2021.

1.11 Suitability Syndicate

The ascertainment of the company's liability, attributed to the criminal court, takes place through:

- the verification of the existence of the predicate crime for the liability of the company; and
- the suitability review on the organizational models adopted.

The judge's review of the abstract suitability of the organisational model to prevent the offences referred to in Legislative Decree 231/2001 is conducted according to the criterion of the so-called "posthumous prognosis".

The judgment of suitability must be formulated according to a substantially *ex ante* criterion for which the judge is ideally placed in the company reality at the time when the offence occurred to test the congruence of the model adopted. In other words, the organizational model that, before the commission of the crime, could and should be considered such as to eliminate or, at least, minimize, with reasonable certainty, the risk of the commission of the crime that subsequently occurred, must be judged "suitable for preventing crimes".

CHAPTER 2

2 DESCRIPTION OF THE COMPANY: ELEMENTS OF THE GOVERNANCE MODEL AND THE GENERAL GOVERNANCE STRUCTURE OF PWG S.R.L.

2.1. PWG s.r.l.

PWG S.R.L. (hereinafter, for the sake of brevity, also PWG or the Company) was established on 10 September 2008 with a deed registered on 17 September 2008.

PWG is based in Castello d'Argile (BO), Via Mattei n. 8 and is registered in the Bologna Business Register (REA number: BO 474108 – Tax Code-VAT number and registration number in the Business Register: 02873661207).

Within the scope of its **corporate purpose** (Article 3 of the Articles of Association), the activities actually carried out by the Company are as follows:

- the design, construction, processing, wholesale and retail sale of hydraulic components, components and mechanical parts relating and not to the hydraulic sector, electronic and electrical components and parts relating and not to the hydraulic sector and mechanical, hydraulic and electrical systems and machinery;
- consultancy in the hydraulic, mechanical, pneumatic, electrical and electronic sectors and in sectors related to the latter;
- tooling work in general;
- the overhaul of automation components. The

activity is carried out in favor of private clients.

The company was founded by the brothers Eugenio and Stefano Vitali who own 100% of the share capital of Vitali Tek s.r.l.

The birth, development and current operation of PWG are a direct expression of the Vitali brothers, current board members, who boast over ten years of experience in the sector. PWG is characterized by its peculiarity as a **owner's company**, a form of business that represents the primary driving force of the national economy.

To date, the Company has about 40 employees/collaborators. The growth of the business and the company organization is the result of the daily commitment produced by Eugenio and Stefano Vitali who act as the decision-making and managerial fulcrum from which the company initiatives start and on which all the decision-making and verification steps of the operations converge.

As typically noted by studies on ownership, this organizational, management and control model is characterized by a series of strengths that represent the basis of PWG's success: **(i)** strong leadership concentrated in the hands of the founders/directors who drive the company's growth, while ensuring speed of decision and stability, **(ii)** total dedication to work shown by entrepreneurs which generates a strong spirit of belonging in all employees, **(iii)** extreme attention to customer needs, **(iv)** cost reduction; **(v)** less bureaucracy of processes.

Another fundamental pillar of the ethics and vision of the Vitali brothers and PWG is represented by the **long-term vision**: the history of PWG and its accreditation on the market as a solid and responsible company are a starting point to ensure ever greater entrepreneurial and organizational growth.

2.2. Governance of PWG s.r.l.

As already pointed out, the Company is managed by a **Board of Directors** - composed of the two founders/owners Eugenio Vitali (Chairman) and Stefano Vitali (Deputy Chairman) - to whom all ordinary and extraordinary management powers for the implementation of the corporate purpose are traced back by the Articles of Association.

Within the Board of Directors, proxies were granted to both members; the proxies have specular content with separate powers and at the sole discretion of each of them, without the need for ratification by the Board of Directors. The delegated powers concern obligations related to ordinary business management; with reference to investments, there is a spending limit (200,000 euros), beyond which the Board of Directors is competent.

The power of representation and signature are vested in the President Eugenio Vitali and, vicariously, in the Vice President Stefano Vitali; The power of representation also belongs to each managing director within the limits of the powers received.

The Company has a Statutory Auditor.

The owners and the two directors are aware that this management (and control) structure increases the intrinsic risk that the prevention purposes of the Model are limited by the concentration of all the activities at risk of crime in top management alone.

In this regard, with reference to *crimes of a malicious nature*, the correctness of conduct can only be guaranteed by the ethics of the shareholders/founders/directors and compliance with the control protocols provided for in the special parts of this Model; again in order to lower the aforementioned intrinsic risk, specific **protocols relating to the formation and implementation of decisions** and **protocols on how financial resources are managed**.

On the other hand, with regard to *crimes of a negligent nature* (in particular, crimes relating to Health and Safety at Work pursuant to Article 25-septies of Legislative Decree No. 231/2001 and environmental crimes referred to in Article 25-undecies of the Legislative Decree no. 231/2001), the activities at risk of crime are carried out by a plurality of subjects (Employer, RSPP, competent doctor, supervisors and employees) and the measures of an organizational nature, including the protocols provided for by this Model, are to be considered as the most effective tools to prevent situations that could be the cause of the event that can be classified as a culpable crime.

2.3. Control protocols for the formation and implementation of decisions

As already pointed out, PWG is characterised by the articulation of activities and organisational complexity, represented in the company organisation chart, with an indication of the functions assigned to each position; this **organisational chart - Annex 3 to this General Part** - is updated on the occasion of any significant change.

As already pointed out, the Company adopts a **system of delegation of powers and functions** that provides for the conscious assignment of tasks to persons with suitable ability and competence, with the assurance of autonomy and powers necessary for the performance of the function by the delegate.

With reference to the activities relating to sensitive processes expressly identified (Special Parts of the Model), **specific protocols** are envisaged, for each of which a procedure has been defined that describes: **(a)** the procedures for taking and implementing management decisions (including the normal performance of the related activities), with an indication for each activity of the persons holding the functions, competences and responsibilities, **(b)** the methods of documentation and storage of the documents generated by the procedures (compliance registration documents), so as to ensure transparency and verifiability of the same.

The internal procedures for the implementation of the protocols shall ensure, as far as possible, the **segregation** between those who draw up the decision, those who implement it and those who are required to carry out the controls.

Limits are established to the decision-making autonomy for the **use of financial resources**, through the establishment of precise quantitative thresholds, in line with the management skills and organizational responsibilities entrusted to individuals.

Exceptions to the protocols and procedures provided for in the Model are allowed in the event of an emergency or temporary impossibility of implementing them. The derogation, with the express indication of its motivation, must be communicated to the hierarchical superior and, when relevant, to the **Supervisory Body**. The protocols and implementation procedures are also updated upon proposal or report by the Supervisory Body.

2.3. Protocols on how financial resources are managed

The main purpose of these protocols is to prevent the creation of off-balance sheet funds.

The company procedures prepared in implementation of these protocols pursue, as far as possible, the separation and independence between the subjects who contribute to forming the decisions on the use of financial resources, those who implement these decisions and those who are entrusted with the controls on the use of financial resources.

For the purposes of implementing decisions on the use of financial resources, the Company makes use of financial and banking intermediaries subject to transparency and stability regulations in accordance with those adopted in the Member States of the European Union.

All transactions involving the use or commitment of economic or financial resources must have an adequate reason and be documented and recorded, by manual or computerized means, in accordance with the principles of professional and accounting correctness; the relevant decision-making process must be verifiable.

All transactions relating to atypical or unusual activities or services must be specifically and clearly justified and communicated to the Supervisory Body.

CHAPTER 3

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

3.1. Premise

The adoption of an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 (hereinafter also the "Model") and its effective and constant implementation, in addition to representing a reason for exemption from the Company's liability with reference to the commission of certain types of crimes, is an act of social responsibility from which benefits arise for all stakeholders: by shareholders, employees, creditors and all other parties whose interests are linked to the fate of the Company.

The introduction of a system for controlling business activities, together with the establishment and dissemination of ethical principles, improving the standards of conduct adopted by the Company, increase the trust and reputation that PWG s.r.l. enjoys towards third parties and, above all, perform a regulatory function as they regulate the conduct and decisions of those who are called upon to work in favour of the Company on a daily basis in accordance with the aforementioned principles Ethical.

Through the adoption of the Model, the Company intends to pursue the following purposes:

- prohibit conduct that may constitute the offences referred to in the Decree;
- spread awareness that, from the violation of the Decree, of the provisions contained in the Model and of the principles of the Code of Ethics, the application of sanctioning measures (pecuniary and disqualification) may also result in the application of sanctions (pecuniary and disqualification) against the Company;
- to spread a corporate culture based on legality, in the awareness of the Company's express disapproval of any conduct contrary to the law, regulations, internal provisions and, in particular, to the provisions contained in the Model and the Code of Ethics;
- provision of clear, simple and effective rules that allow everyone to carry out their functions and/or work assignments, behaving and operating in full compliance with the relevant laws;
- to allow the Company, thanks to a system of control controls and constant monitoring of the correct implementation of this system, to promptly prevent and/or combat the commission of significant crimes pursuant to the Decree;
- the provision of a Supervisory Body, in direct contact with the Board of Directors, with the task of monitoring and verifying the effective functioning of the Model as well as its compliance;
- constant attention to the continuous improvement of the Organization, Management and Control Model through the analysis not only of the provisions of the procedures, but also of the company's behaviors and practices, intervening promptly with corrective and/or preventive actions where necessary.

The provisions of this Model are binding on **(i)** persons who hold representation, administration or management functions of the Company, **(ii)** employees of the Company with a fixed-term or permanent employment contract, **(iii)** any collaborator, consultant, self-employed worker

who work for their part, including internships, training, internships within the Company, **(iv)** those who, although not functionally linked to the Company, have contractual relationships for the achievement of social objectives, such as: partners, customers, suppliers, subcontractors (hereinafter, the **Recipients**).

3.2 Definition of the Organization, Management and Control Model in accordance with Legislative Decree 231/2001

The methodology chosen to carry out the project, in terms of organization, definition of operating methods, structuring in phases, assignment of responsibilities among the various company functions, was defined in order to guarantee quality and authoritativeness of the results. As already highlighted, the implementation of the Model adoption project was based on the Confindustria Guidelines. The methodology applied has taken due account of the principle that the model must be calibrated to the specific characteristics of the entity (size, type of activity, diachronic evolution).

The definition of the PWG Model took into account the above and was expressed in the following elements:

- ❖ critical analysis aimed at finding the types of offences actually relevant to the Company (**Annex 4**), with the aim of restricting the field to the essential hypotheses in order to pursue, through simplification and functionality, the maximum usability of the Model by the Recipients;
- ❖ mapping of the so-called "sensitive" activities, with examples of possible ways of committing crimes (**Annex 4**) and of the instrumental processes in which, in principle, the conditions and/or means for the commission of the crimes included in Legislative Decree no. 231/2001 could occur;
- ❖ provision of specific control measures (as explained in **the Special Parts of the Model**) to support the instrumental processes deemed to be exposed to the potential risk of committing crimes;
- ❖ adoption of a Code of Ethics (**Annex 1**);
- ❖ establishment of a Supervisory Body (**Section IV of the General Part** of this Model and **Annex 7**), with the assignment of specific supervisory tasks on the effective implementation and effective application of the Model with provision of specific information flows to this body aimed at making the supervisory activity continuous (**Annex 6**);
- ❖ adoption of a sanctioning system (as explained in **Section Five of the General Part** of this Model) aimed at ensuring the effective implementation of the Model and containing the disciplinary measures applicable in the event of violation of the provisions contained in the Model;
- ❖ activation of internal reporting channels (so-called Whistleblowing) pursuant to Legislative Decree no. 24/2023 (**Annex 8**);
- ❖ carrying out information and training activities on the contents of this Model (as better set out in **Section Six of this General Part**).

Specifically, the *risk assessment* activity was carried out in the following ways:

- through **(i)** the examination of the relevant company documentation (including the corporate organization chart, articles of association, delegation of powers, procedures and policies, certifications, etc.) and **(ii)** the carrying out of structured interviews with the Heads of Departments, **the Company Processes that represent Risk Areas** in relation to the crimes included in Catalogue

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

231 were identified;

- identification, within the scope of the Processes, of the corporate activities exposed to the risk of committing the offences pursuant to Legislative Decree 231/2001 (so-called "Criminal Procedure"). **Sensitive Activities**) in which the conditions and/or tools for the commission of crimes could be created;
- identification of **(i) the Predicate Offences** that can be abstractly configured, **(ii)** the exemplary description of the possible methods of committing the offences themselves, **(iii)** the Company Functions involved;
- assessment of the level of potential risk associated with each sensitive activity/process (**Inherent or Intrinsic Risk**), based on the following macro-axes: **(i)** Probability (degree of probability that the risk event will occur), **(ii)** Impact (consequences of the occurrence of the risk event);
- detection and evaluation of the degree of effectiveness of the operating and control systems already available to the Company (**Control System in place**);
- identification and assessment of the **Residual Risk**;
- preparation of a summary document (Annexes **4 and 5**) of the above containing the Risk Assessment path described above;
- on the basis of the results obtained, preparation of the Special Parts of the Model.

3.3. Internal Control and Risk Management System

The Company's internal control and risk management system consists of a set of tools and organisational structures aimed at contributing, through a process of identification, management and monitoring of the main risks, to the conduct of the company that is sound, correct and consistent.

In particular, PWG's internal control system is based, in addition to the rules of conduct set out in this Model, also on the following elements:

- the Code of Ethics, a declination of the guiding values for daily behavior;
- Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001;
- Updated, formalized and clear organizational system;
- appointment of a Supervisory Body;
- Prevention and Protection Service pursuant to Legislative Decree no. 81/2008;
- Possession of the following Certifications and Attestations:
 - ISO 9001:2015 (Quality System)
- formalization of company operating practices in special documents (procedures) delivered to employees;
- repeated and differentiated training activities;
- contractual provisions governing relations with suppliers, subcontractors and customers;
- computerization of the company's activities, with reference to both management and accounting systems and the systems used to support operational activities related to the business;
- whistleblowing system.

In addition to the above, in order to manage and monitor the main risks and allow healthy and correct

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

business management, the following **General Control Protocols** are added:

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

- **Traceability** ("every operation, transaction, action must be verifiable, documented, consistent and congruous"): each operation must be supported by adequate documentation to guarantee the possibility of carrying out checks at any time that certify the characteristics and reasons for the operation and identify who authorised, carried out, recorded and verified the operation itself;
- **Documentation of controls**: the performance of controls, including supervisory controls, carried out in accordance with the responsibilities assigned, must always be documented (possibly through the drafting of reports).

As already pointed out above, the Company is governed by a traditional management system with an owner-led imprint that represents the cornerstone of PWG's entire organization and management model.

The current management model of the Company is built on the specific and characteristic elements of this type of company (intuition, will, resourcefulness, leadership concentrated in a single or very few subjects; emotional bond between entrepreneur and company, bond that generates a spirit of belonging in employees; quick decisions, elimination of bureaucracy); consequently, PWG, on the basis of solid ethical and professional values, has developed – as founding elements of its definition – the following principles/objectives:

Company culture	Establishment within the company of <u>a continuous oversight of the corporate culture</u> that continuously and clearly strengthens the perception of those values (compliance with the law, social responsibility, transparency, enhancement of merit, constant growth, maintenance of healthy relationships between people within the organization and externally, etc.) that are the essence and guarantee to create <u>companies that last and prosper over time</u> .
Business ethics	<u>Centrality of the internal environment</u> , which includes the values and <i>commitment</i> of the owners, based on the balance between the philosophy of control and a <i>governance</i> inspired by the principles of respect for counterparties, fairness and ethics.
Competence	Awareness that the company cannot thrive without adequate skills.
Transparency	Moments of discussion capable of ensuring timely and accurate information on all the relevant issues concerning society, with the

	awareness that these moments contribute to the construction and functioning of a healthy environment of control.
Competitive positioning	Awareness that the good results obtained by the company are the result of teamwork that integrates the contributions of a set of subjects who provide resources to the company, of the <u>consolidation of relationships with solid, healthy, primary and professional customers and suppliers.</u>
Long-term vision	Enhancement of business strategies based on constant growth and projected on <u>the consolidation and duration of the company over time.</u>

3.5 Integration of Control and Risk Management Systems

The Internal Control and Risk Management System illustrated above has made it necessary to integrate the various players in the system. This has made it possible to rationalise activities (in terms of resources, people, etc.), improve the effectiveness and efficiency of compliance activities and facilitate the sharing of information through an integrated view of the different compliance needs, also through the execution of joint risk assessments. The integrated approach tends to contemplate common procedures that guarantee efficiency and streamlining and that do not generate overlapping roles (or lack of controls), duplication of checks and corrective actions.

The implementation of the integrated system is based on specific and continuous coordination and collaboration mechanisms between the main company stakeholders including, by way of example, the Employer and other OSH guarantee figures, the Prevention and Protection Service and the Supervisory Body.

The Integrated Compliance Model is a governance tool functional to the achievement of the company's strategic objectives to ensure sustainable success. It is based on an approach focused on the effectiveness and efficiency of the internal control system by exploiting synergies to mitigate risks; the pillars that make this result possible are: (i) Top level commitment, (ii) Culture of control and business ethics and (iii) Coordination between the actors of the internal control system.

CHAPTER 4

4 THE SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE NO. 231/2001

4.1. The Supervisory Body

On the basis of the provisions of Legislative Decree 231/2001, the entity may be exempted from liability resulting from the commission of crimes by top management or subject to their supervision and direction, if the management body has: (i) adopted and effectively implemented organizational, management and control models suitable for preventing the crimes considered; (ii) entrusted with the task of supervising the operation and compliance with the Model and of ensuring that it is updated to a body of the entity with autonomous powers of initiative and control.

The entrustment of the aforementioned tasks to a body with autonomous powers of initiative and control, together with the correct and effective performance of the same, represents, therefore, an indispensable prerequisite for the exemption from liability provided for by Legislative Decree 231/2001.

The *best practices* in the field of compliance 231 and the relevant case law identify autonomy and independence, professionalism and continuity of action as the main requirements of the Supervisory Body.

In particular, the requirements of **autonomy and independence** can be found where the control initiative is free from any interference and/or conditioning by any member of the Company; in this sense, it is essential to include the Supervisory Body "*as a staff unit in a hierarchical position as high as possible*" with the provision of a "*reporting*" of the Supervisory Body to the highest operational company management or to the Board of Directors as a whole.

It is also essential that the Supervisory Body is not assigned operational tasks which, by making it a participant in operational decisions and activities, would undermine its objectivity of judgment when verifying conduct and the Model.

The connotation of **professionalism** must refer to the "*wealth of tools and techniques*" necessary to effectively carry out the activity of the Supervisory Body. In this sense, the Company has decided to enhance the specialized techniques of those who carry out "inspection" activities, but also consultancy for the analysis of control and management systems and of a legal nature, with particular regard to labor and criminal issues.

In addition, the body possesses, in all its components, requisites of **integrity** and **absence of conflicts of interest**.

With particular regard to the profiles of protection of health and safety at work, the Supervisory Body must make use of all the resources that the Company has activated for the management of the related aspects (RSPP - Head of the Prevention and Protection Service, RLS - Workers' Safety Representative, MC - Competent Doctor, first aid officers, emergency officer in the event of fire).

Continuity **of action**, which guarantees effective and constant implementation of the organisational model, is guaranteed by the presence of a structure dedicated exclusively and full-time to supervisory activities.

4.2 General principles on the establishment, appointment and revocation of the Supervisory Body.

In the absence of specific indications in the body of Legislative Decree 231/2001, PWG opts for a solution that, taking into account the purposes pursued by the law, is able to ensure, in relation to its size and organizational complexity, the effectiveness of the controls to which the Supervisory Body is responsible. The composition of the Supervisory Body is identified in the minutes of its appointment.

The Supervisory Body remains in office for three years and can be re-elected.

In general, it is necessary that the members of the Supervisory Body possess, in addition to adequate professional skills, subjective requirements that guarantee the autonomy, independence and integrity required by the task (see art. 5 of the Statute of the Supervisory Body – **Annex 7**).

Dismissal as a member of the Supervisory Board may take place in the cases provided for in Article 6 of the Statute of the Supervisory Board (**Annex 7**).

The functions and powers of the Supervisory Body are indicated in Article 9 of the Statute of the Supervisory Body (**Annex 7**).

In order to be able to supervise the effectiveness and effectiveness of the Model, the Supervisory Body must be the recipient of accurate, complete, timely and constant information flows; the type and content of the information flows, the corporate functions subject to the disclosure obligation and the timing of compliance are governed by Annex 6 – **Information Flow Procedure**.

Also in general, direct communication with the Supervisory Body must be allowed and facilitated for all Recipients of the Model. In this sense, the channel to be prepared (and clearly communicated to the Recipients) is the dedicated e-mail box odv@pwgsrl.com.

With specific reference to the application of Legislative Decree no. 24/2023 (so-called "Legislative Decree no. **Whistleblowing**"), the relevant regulations are contained in **Annex 8**.

As regards the **Supervisory Body's duty to inform corporate bodies**, the relevant regulations are contained in Article 16 of the Supervisory Body's Articles of Association (**Annex 7**).

CHAPTER 5

5 DISCIPLINARY SYSTEM

5.1 Function of the disciplinary system

Legislative Decree 231/2001 indicates, as a condition for the effective implementation of the organisation, management and control model, the introduction of a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model itself.

Therefore, the definition of an adequate disciplinary system is an essential prerequisite for the discriminatory value of the organisational, management and control model with respect to the administrative liability of entities.

The sanctions provided for by the disciplinary system will be applied to any violation of the provisions contained in the Model, regardless of the commission of a crime and the possible course and outcome of any criminal proceedings initiated by the judicial authority.

The Company's disciplinary system, adopted in accordance with the provisions of the law in force and the national and territorial bargaining of the sector, is integrated on the basis of the provision set out below.

The following constitute a disciplinary offence:

- ✓ the lack, incomplete or untruthful documentation of the activity carried out, as prescribed for sensitive trials;
- ✓ the failure to document, store and control the acts and activities envisaged by the Control Protocols with the aim of preventing the transparency and verifiability of the same activities;
- ✓ obstruction of controls, unjustified impediment to access to information and documentation by persons in charge of controlling procedures and decisions, including the Supervisory Body, or other conduct suitable for violation or circumvention of the control system, such as the destruction or alteration of the documentation provided for by the Model;
- ✓ the omission or violation, even isolated, of any protocol or prescription provided for by the Model, including those aimed at ensuring safety and health in the workplace.

Furthermore, pursuant to art. 21, paragraph 2, of Legislative Decree no. 24/2023, this disciplinary system also applies to those who are found to be responsible for the offences referred to in paragraph 1 of the aforementioned Article 21 and, in particular:

- significant retaliation, obstruction or attempt to obstruct reporting, violation of the obligation of confidentiality;
- failure to establish reporting channels, failure to adopt procedures for making and managing reports or adopting non-compliant procedures, as well as failure to carry out the verification and analysis of the reports received;

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

- when the liability of the reporting person for the crimes of defamation or slander or in any case for the same crimes committed with the complaint to the judicial authority is ascertained, even with a first instance judgment, or his civil liability for the same reason, in cases of intent or gross negligence.

These offences are understood as violations of this Model, as they are carried out in violation of the Whistleblowing Procedure, constituting Annex 8 to the General Part of the Model itself.

The disciplinary sanction, graduated according to the seriousness of the violation, is applied to the employee or manager, also upon notification by the Supervisory Body, in compliance with current legal and contractual regulations.

The type and extent of each of the penalties referred to above must take into account the principles of proportionality and adequacy with respect to the alleged violation; will therefore be applied in relation to

- the intentionality of the conduct (in the case of intent) or the degree of negligence, imprudence or inexperience with regard to the foreseeability of the event (in the case of negligence);
- the relevance of the obligations violated;
- the overall conduct of the worker, with particular regard to the existence or absence of disciplinary precedents of the same, within the limits permitted by law;
- the level of hierarchical and/or technical responsibility of the persons involved in the facts constituting the absence;
- the actual or potential consequences for the Company;
- the other particular circumstances that accompany the disciplinary violation;
- the actual commission of an intentional or negligent crime as a consequence of the violation of a protocol.

For the purposes of any aggravation (or mitigation) of the sanction, the following elements are also considered:

- aggravating (or mitigating) circumstances, with particular regard to professionalism, previous work performance, disciplinary precedents, circumstances in which the act was committed;
- conduct immediately following the fact, with particular reference to any active repentance;
- any commission of several violations in the context of the same conduct, in which case the sanction provided for the most serious violation will be applied;
- possible participation of several subjects in the commission of the violation;
- possible recidivism of its author.

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

With reference to the disciplinary measures that can be imposed on **employees**, they are among those provided for by the company disciplinary code, in compliance with the procedures provided for by Article 7 of Law no. 300 of 30 May 1970 (Workers' Statute) and any regulations

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

applicable and are those provided for by the sanctioning system referred to in the current CCNL for construction, and precisely, in order of increasing severity and in application of the criteria referred to in the previous point:

- verbal reminder
- Written warning
- Fine not exceeding 3 hours of pay calculated on the minimum wage
- suspension from service and pay up to a maximum of 3 days
- Dismissal with notice
- dismissal without notice.

In the event of violation, by **managers** (if any), of the internal procedures provided for by the Model or the adoption, in the performance of activities in areas at risk, of conduct that does not comply with the provisions of the Model itself, the most appropriate measures will be applied to the managers in accordance with the provisions of the National Collective Labour Agreement for Managers.

In individual contracts entered into with managers, or in a special supplementary letter signed for acceptance, it is expressly indicated that particularly serious non-compliance with the provisions of the Model may result in the early termination of the relationship.

In addition to what is provided for employees, the following constitutes a disciplinary offence for a manager of the Company:

- Lack of training and/or failure to update and/or failure to communicate the procedures and requirements of the Model to the personnel working under the control of the Model.
- The failure to supervise, control and supervise, as a "hierarchical manager", compliance with the procedures and requirements of the Model by its subordinates in order to verify their actions in the areas at risk of crime.
- The failure to report or tolerate irregularities committed by its subordinates or other personnel in compliance with the procedures and requirements of the Model.
- Failure to comply with internal procedures for taking and implementing management decisions.
- Failure to comply with the provisions relating to the powers of signature and the system of proxies/powers of attorney assigned.

If one of the above-mentioned violations is ascertained, the sanctions provided for by the relevant CCNL are applicable, starting from the verbal warning to the termination of the employment relationship. The Manager may also be revoked any appointments, powers of attorney or delegations conferred on him.

Collaboration contracts entered into with para-subordinate workers, consultants, agents, representatives and similar persons must contain an explicit reference to the existence of the Company's organisational and management model and a clause for the termination of the relationship as a consequence of any non-compliance with the requirements of the same.

Significant violations of the relevant provisions of the Model committed by persons who hold, or who in fact exercise, **representation, administrative or managerial functions** or of one of its organisational units with financial and functional autonomy, shall be reported by the Supervisory Body

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

Supervision to the management body for the determinations of the case and, for information, to the Board of Statutory Auditors or equivalent body, when existing.

CHAPTER 6

6 TRAINING AND COMMUNICATION PLAN

PWG, in order to effectively implement the Model, intends to ensure the correct dissemination of the contents and principles of the same inside and outside its organization.

In particular, PWG's objective is to extend the communication of the contents and principles of the Model not only to its employees but also to persons who, although not formally qualified as employees, work to achieve PWG's objectives by virtue of contractual relationships.

The communication and training activity will be diversified according to the recipients to whom it is addressed, but it must be, in any case, based on principles of completeness, clarity, accessibility, authoritativeness, capillarity; it must also be periodically repeated in order to allow the various recipients to be fully aware of those company provisions that they are required to comply with and of the ethical rules that must inspire their behaviour.

Communication and training on the principles and contents of the Model are guaranteed by the top management, which identifies the best way to use these services (e.g. training courses, information programmes, dissemination of information material).

The communication and training activity is under the supervision of the Supervisory Body, which is assigned the task, among other things, of "promoting and defining initiatives for the dissemination of knowledge and understanding of the Model, as well as for the training of personnel and their awareness of compliance with the principles contained in the Model" and of "promoting and developing communication and training interventions on the contents of the decree and the impacts of the legislation on the company's activity and on behavioral norms".

Each employee is required to: **(i)** become aware of the principles and contents of the Model; **(ii)** know the operating methods with which its activity must be carried out; **(iii)** actively contribute, in relation to their role and responsibilities, to the effective implementation of the Model, reporting any deficiencies found in the same; **(iv)** participate in training courses, differentiated in consideration of the different Sensitive Activities.

In order to ensure effective and rational communication, the Company intends to promote and facilitate employees' knowledge of the contents and principles of the Model, with a degree of in-depth analysis diversified according to their position and role.

Each employee must receive a summary of the fundamental principles of the Model accompanied by a communication that explains the fact that compliance with the principles contained therein is a condition for the proper performance of the employment relationship.

The copy signed by the employee of this communication must be kept available to the Supervisory Body.

Suitable communication tools will be adopted to update employees on any changes made to the Model, as well as any significant procedural, regulatory or organisational changes.

The Supervisory Body reserves the right to promote any training activity it deems suitable for the purposes of correct information and awareness in the company of the themes and principles of the Model.

Adottato con Verbale Consiglio di Amministrazione del 2/12/ 2024

The communication of the contents and principles of the Model must also be addressed to third parties who have contractually regulated collaboration relationships with PWG or who represent the Company without any dependency ties.

CHAPTER 7

7 CRITERIA FOR UPDATING AND ADAPTING THE MODEL

The Board of Directors resolves on the updating of the Model and its adaptation in relation to amendments and/or additions that may be necessary as a result of:

- ✓ violations of the provisions of the Model;
- ✓ changes in the internal structure of the Company and/or in the methods of carrying out business activities;
- ✓ regulatory changes;
- ✓ results of the checks.

Once approved, the amendments and instructions for their immediate application are communicated to the Supervisory Body.

The Supervisory Body retains, in any case, precise tasks and powers regarding the care, development and promotion of the constant updating of the Model. To this end, it formulates observations and proposals, relating to the organisation and control system, to the corporate structures in charge of this or, in cases of particular importance, to the Board of Directors.

In any case, the Board of Directors remains solely responsible for resolving updates and/or adjustments to the Model due to the following factors:

- ✓ intervention of regulatory changes on the administrative liability of entities;
- ✓ identification of new sensitive activities, or changes to those previously identified, also possibly related to the start of new business activities;
- ✓ commission of the offences referred to in Legislative Decree 231/2001 by the recipients of the provisions of the Model or, more generally, of significant violations of the Model;
- ✓ finding of deficiencies and/or gaps in the provisions of the Model following checks on the effectiveness of the same.

The Model will, in any case, be subject to a periodic review procedure every three years, to be arranged by resolution of the Board of Directors.