GALILEO ENERGY ITALY S.r.l.

GENERAL SECTION

OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL *PURSUANT TO* LEGISLATIVE DECREE NO. 231/2001

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Rev. 1	Resolution of the Administrative Body of 29 January 2021	Adoption
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GENERAL SECTION

1. THE ADMINISTRATIVE LIABILITY OF ENTITIES *PURSUANT TO* LEGISLATIVE DECREE NO. 231/2001 AND ITS EVOLUTION

1.1. Legislative Decree No. 231 of 8 June 2001

Legislative Decree No. 231 of 8 June 2001, containing the *"Regulation of the administrative liability of legal persons, companies and associations, including those without legal personality"* (hereinafter, the "Decree"), implementing the legislative delegation contained in Article 11 of Law No. 300 of 29 September 2000, introduced a system of administrative liability for entities, similar to criminal liability, in the event that certain specific offences are committed in the interest or to the advantage of the entities themselves by:

a) persons who hold representative, organic or voluntary positions, or positions of administration or management within the entity or one of its organisational units (with financial and functional autonomy) or who exercise, even de facto, the management and control of the entity (so-called "senior" persons[1])[2] ;

b) persons subject to the management or supervision of one of the persons referred to in point (a) (so-called 'subordinates').

The ancient principle of *societas delinquere non potest*[3] has thus been superseded and the autonomous liability of legal persons has been established.

As regards the entities subject to the new form of liability, the Decree specifies that these are "*entities with legal personality, companies and associations, including those without legal personality*". However, the following are excluded from the list of entities subject to liability: the State, local public entities (regions, provinces, municipalities and mountain communities), non-economic public entities and, in general, all entities that perform functions of constitutional importance (Chamber of Deputies, Senate of the Republic, Constitutional Court, General Secretariat of the Presidency of the Republic, C.S.M., CNEL).

1.2. Predicate offences

In order to establish administrative liability *under* the Decree, Section III of Chapter I of the Decree identifies only specific types of offences (the so-called predicate offences) as relevant[4] , as specified **in Annex 1** below.

[1] Members of the entity's administrative and control bodies may be classified as senior managers, regardless of the system chosen from among those indicated by the legislator (sole director, board of directors, joint or separate administration). In addition to directors and auditors, the category of persons in so-called 'senior positions' also includes, in accordance with Article 5 of the Decree, the general manager, executive directors with financial and functional autonomy, as well as those in charge of secondary offices and sites/establishments, who may also qualify as 'employers' within the meaning of current health and safety legislation. These individuals may be linked to the company either by an employment relationship or by other private law relationships (e.g., mandate, agency, institutional representation, etc.).

[2] Article 39 of the Decree provides for a presumption of conflict of interest on the part of the legal representative under investigation for a predicate offence for the purposes of appointing a defence counsel for the entity responsible for the administrative offence. In particular, in order for the entity to validly participate in the criminal proceedings, the power of attorney to the entity's defence counsel must be conferred by a person other than the legal representative under investigation for the predicate offence who is vested with the relevant powers.

[3] It was ruled out that a company could appear as a defendant in criminal proceedings.

[4] The 'catalogue' of predicate offences relevant under the Decree is constantly expanding. While there is strong pressure from EU bodies, numerous bills have also been presented at national level to include additional offences.

1.3. Penalties

Pursuant to Article 9 of the Decree, the penalties applicable to entities following the commission of an offence are:

i. financial penalties: these are punitive (sanctions) and not compensatory in nature and are calculated on the basis of a quota system (in a number not less than one hundred and not more than one thousand), and are determined by the judge on the basis of the seriousness of the offence and the degree of responsibility of the entity, the action taken by the entity to eliminate or mitigate the consequences of the unlawful act and to prevent the commission of further offences. The amount of each quota ranges from a minimum of €258.23 to a maximum of €1,549.37 and is determined by the judge taking into account the economic and financial conditions of the entity. The amount of the financial penalty is therefore determined by multiplying the first factor (number of quotas) by the second (amount of the quota);

ii. Disqualification penalties, which may only be imposed in strictly defined cases and only for certain offences (Article 9, paragraph 2):

   - disqualification from exercising the activity;
   - suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
   - prohibition from contracting with the public administration, except for the purpose of obtaining a public service; this prohibition may also be limited to certain types of contracts or certain administrations;
   - exclusion from benefits, funding, contributions or subsidies and the possible revocation of those already granted;
   - prohibition from advertising goods or services;

iii. confiscation (mandatory penalty following a conviction);

iv. publication of the sentence (possible sanction that presupposes the application of a disqualification sanction).

Disqualification penalties have the effect of limiting or restricting corporate activity and, in the most serious cases, can paralyse the entity (disqualification from carrying out its activities); they also aim to prevent behaviour connected with the commission of offences.

These sanctions apply in the cases expressly provided for in the Decree when at least one of the following conditions is met:

a) the entity has derived significant profit from the offence and the offence was committed by persons in senior positions or by persons subject to the direction of others and, in this case, the commission of the offence was determined or facilitated by serious organisational deficiencies;

b) in the event of repeated offences.

Disqualification sanctions have a duration of not less than three months and not more than two years; the definitive application of disqualification sanctions is possible in the most serious situations described in

Article 16 of the Decree.

It should be noted that Article 15 of the Decree provides that, instead of applying the disqualification sanction that determines the interruption of the entity's activities, if certain conditions are met, the judge may appoint a commissioner to continue the entity's activities for a period equal to the duration of the disqualification sanction.

It should be noted that Article 45 of the Decree provides for the application of the disqualification penalties indicated in Article 9, paragraph 2, even as a precautionary measure when there are serious indications to believe that the entity is liable for an administrative offence dependent on a crime and there are well-founded and specific elements that suggest a real danger that offences of the same nature as the one for which proceedings are being brought will be committed.

Finally, it should be noted that the Judicial Authority may also order:

- the preventive seizure of items that may be confiscated (Article 53);
- the preventive seizure of the entity's movable and immovable property if there are well-founded reasons to believe that the guarantees for the payment of the financial penalty, the costs of the proceedings or other sums due to the State are lacking or will be lost (Article 54).

2. THE ADOPTION AND IMPLEMENTATION OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL AS AN EXEMPTION FROM ADMINISTRATIVE LIABILITY FOR OFFENCES *PURSUANT TO* ART. 6 OF LEGISLATIVE DECREE NO. 231/2001 AND ART. 30 OF LEGISLATIVE DECREE NO. 81/2008

2.1. The provisions of the Decree

In Articles 6 and 7 of the Decree, the legislator recognises specific forms of exemption from administrative liability for entities.

In particular, Article 6, paragraph I, stipulates that, in the event that the offences are attributable to persons in senior positions, the entity shall not be held liable if it proves that:

a) has adopted and implemented, prior to the commission of the offence, an organisational, management and control model (hereinafter also referred to as the "Model") suitable for preventing offences of the type that occurred;

b) appointed an independent body with autonomous powers to monitor the functioning and compliance with the Model and to update it (hereinafter also referred to as **the** "**Supervisory Body**" or "SB" or simply "Body");

c) the offence was committed by fraudulently circumventing the measures provided for in the Model;

d) there was no omission or insufficient supervision by the SB.

The content of the Model is identified in Article 6 itself, which, in paragraph II, provides that the entity must:

a) identify the activities in which offences may be committed;

b) provide for specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the offences to be prevented;

c) identify methods of managing financial resources that are suitable for preventing offences;

d) provide for reporting obligations to the Supervisory Body;

e) introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model ( ).

Pursuant to Article 6, paragraph II bis, "the *models referred to in paragraph 1, letter a), provide, pursuant to the legislative decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, for internal reporting channels, the prohibition of retaliation and the disciplinary system, adopted pursuant to paragraph 2, letter e)*".

In the case of persons in a subordinate position, the adoption and effective implementation of the Model means that the entity will only be held liable if the offence was made possible by a failure to comply with management and supervisory obligations (combined provisions of paragraphs I and II of Article 7).

The subsequent paragraphs III and IV of Article 7 introduce two principles which, although they are included in the above-mentioned provision, appear to be relevant and decisive for the purposes of exempting the entity from liability for both offences referred to in Article 5, letters a) and b). Specifically, it is provided that:

- the Model must provide for measures suitable for ensuring that activities are carried out in compliance with the law and for promptly detecting situations of risk, taking into account the type of activity carried out and the nature and size of the organisation;

- the effective implementation of the Model requires periodic verification and modification of the same if significant violations of legal requirements are discovered or if significant changes occur in the organisation or regulations; the existence of an appropriate disciplinary system is also relevant (a condition already provided for in letter e), sub-Article 6, paragraph II).

It should also be added that, with specific reference to the preventive effectiveness of the Model with regard to (negligent) offences in the field of health and safety at work, **Article 30 of Legislative Decree No. 81/2008** (**'TU SSL'**) establishes that:

"The organisational and management model suitable for exempting legal persons, companies and associations, including those without legal personality, from administrative liability pursuant to Legislative Decree No. 231 of 8 June 2001, must be adopted and effectively implemented, ensuring a corporate system for the fulfilment of all legal obligations relating to:

a) compliance with the technical and structural standards of the law relating to equipment, facilities, workplaces, chemical, physical and biological agents;
b) risk assessment activities and the preparation of consequent prevention and protection measures;
c) organisational activities, such as emergencies, first aid, contract management, periodic safety meetings, consultations with workers' safety representatives;
d) health surveillance activities;
e) worker information and training activities;
f) supervisory activities with regard to workers' compliance with safety procedures and instructions;
g) the acquisition of documentation and certifications required by law;
h) periodic checks on the application and effectiveness of the procedures adopted.

Again according to Article 30: *"The organisational and management model must provide for suitable systems for recording the activities carried out. The organisational model must in any case provide, as required by the*

nature and size of the organisation and the type of activity carried out, for a structure of functions that ensures the technical skills and powers necessary for the verification, assessment, management and control of risk, as well as a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the organisational and management model. The organisational model must also provide for an appropriate system for monitoring the implementation of the model itself and for maintaining the suitability of the measures adopted over time. The organisational model must be reviewed and, if necessary, amended when significant violations of the rules on accident prevention and occupational health and safety are discovered, or when changes are made to the organisation and its activities in line with scientific and technological progress. Upon initial application, company organisational models defined in accordance with the UNI-INAIL Guidelines for a health and safety management system (SGSL) of 28 September 2001 or British Standard OHSAS 18001:2007 are presumed to comply with the requirements of this article for the corresponding parts. For the same purposes, further business organisation and management models may be indicated by the Commission referred to in Article 6.

As is well known, from a formal point of view, the adoption and effective implementation of a Model is not an obligation, but merely an option for entities, which may well decide not to comply with the provisions of the Decree without incurring any penalties for doing so. However, the adoption and effective implementation of a suitable Model are, for entities, a very important prerequisite for benefiting from the exemption provided for by the Legislator.

It is also important to bear in mind that the Model is not intended to be a static tool, but must instead be considered a dynamic apparatus that allows the entity to eliminate, through its correct and targeted implementation over time, any shortcomings that could not be identified at the time of its creation.

2.2. Integration of the regulation: the guidelines of trade associations and the *best practices* that inspired the Decree

The legislator – aware of the epochal change associated with the enactment of the Decree, which effectively abolishes the traditional principle *of societas delinquere non potest* – considered it important to specify, in paragraph III of Article 6, that the organisational and management models may be adopted on the basis of codes of conduct drawn up by associations representing the entities and communicated to the Ministry of Justice, which may, where appropriate, make observations.

In doing so, the legislator intended to provide the entities concerned with specific "Guidelines", a priori assessed as correct and corresponding to the purposes of the regulation in question, to be followed in the development of their "models".

The first association to draw up a policy document for the construction of the Models was Confindustria, which, in March 2002, issued Guidelines, which were then partially amended and updated first in May 2004, then in March 2008, March 2014 and, most recently, in June 2021 (hereinafter also referred to as **the "Guidelines"**)[5] .

[5] All versions of the Confindustria Guidelines have been deemed adequate by the Ministry of Justice (with reference to the 2002 Guidelines, see the 'Note from the Ministry of Justice' of 4 December 2003; with reference to the 2004 and 2008 updates, see the 'Note from the Ministry of Justice' dated 28 June 2004 and the 'Note from the Ministry of Justice' dated 2 April 2008; with reference to the March 2014 update, see the 'Note from the Ministry of Justice' dated 21 July 2014; with reference to the latest update of June 2021, *see* the 'Note from the Ministry of Justice' dated 8 June 2021.

Subsequently, many sectoral associations drew up their own Guidelines, taking into account the principles set out by Confindustria, whose Guidelines therefore constitute the essential starting point for the development of the Model.

As is evident, the Guidelines consider the effective implementation of preventive measures to be a relevant benchmark for *compliance* with the Decree, regardless of the "name" given to this control system (whether it be "model" or "manual" or "procedures" or any other).

In fact, in the American experience and, in general, in the Anglo-Saxon experience, the key point in assessing the effectiveness of the internal control system is not the existence or otherwise of a document called a 'model' but, on the contrary, the adoption and implementation of risk prevention systems.

3. THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL OF GALILEO ENERGY ITALY S.r.l.

3.1. The activities of GALILEO ENERGY ITALY S.r.l.

GALILEO ENERGY ITALY S.r.l. (hereinafter also referred to as "**Galileo Energy** Italy" or "Company") is a company incorporated under Italian law, registered in the Milan Register of Companies, which is part of an international group headed by Galileo Green Energy GmbH, with registered office in Zurich, Switzerland (hereinafter referred to as **the** "Galileo Group" or the **"Group"**). The Company is wholly owned by Galileo Green Energy GmbH.

The Company's purpose is to provide services to Galileo Green Energy GmbH and, through the latter, to the Group companies for the development, construction and management of projects relating to renewable energy sources in Europe.

In accordance with its corporate purpose, these services consist of "*management, development and project management services, as well as document management and storage, assistance in the development of corporate and compliance procedures, tax, accounting and reporting administration, as well as the provision of any subsequent, auxiliary or ancillary services to be rendered for the development, execution and completion of the commissioned projects*".

The company's *mission* is guaranteed by a *corporate governance* system in line with the size and structure of the company (see paragraph 4 *below*).

The Company attaches considerable importance to the ethical aspects of the business and, in order to further improve its structure, has decided to comply with the provisions of the Decree in order to implement a system suitable for mitigating the risk of irregularities or malpractice in the conduct of its business and, consequently, limiting the risk of committing offences relevant to the Decree.

3.2. Preparatory work for the drafting and updating of the Model. The activities of the Working Group and the assumptions underlying the Model

Galileo Energy Italy, always striving for improvement, has formalised its Model, after carrying out an analysis of the entire company organisational structure and its control system, in order to verify its adequacy for the purposes of preventing relevant offences, as well as periodically updating the Model itself.

For the purposes of the latest update of the Model, the Company has planned the implementation of an intervention plan aimed at subjecting the organisation and activities of the Company to an in-depth and complex analysis. To this end, a working group has been set up, consisting of company resources identified by the Company, assisted by external consultants specialising in criminal matters (hereinafter, **the 'Working** Group').

The methodology followed by the Working Group in preparing the Model is divided into the following phases:

a) analysis of the preliminary documentation requested from the Company;

b) preparation of preliminary questionnaires;

c) identification of the 'key persons' with whom to carry out the necessary in-depth investigations;

d) conducting interviews with the 'key persons';

e) formalisation of the interviews in specific *reports, which* were then shared with the company departments;

f) identification of risk areas, sensitive activities and existing controls with reference to the specific areas identified and any aspects susceptible to improvement;

g) identification of possible methods of committing offences.

In particular, with regard to **intentional offences:**

a) a detailed and comprehensive list of "crime-**prone**" **areas** and/or "sensitive **activities**" has been drawn up, i.e. areas of the Company for which, based on the results of the analysis, the risk of crimes being committed that are theoretically attributable to the type of so-called predicate offences, as provided for in the Decree and relevant to the Company, has been deemed to exist in abstract terms;

b) for each "crime risk area" and/or "sensitive activity", the **types of offences that could theoretically be committed and/or some of the possible ways in which the offences** under consideration **could be committed** have also been identified;

c) the so-called 'instrumental' **areas** were identified, i.e. the areas that manage financial instruments and/or substitute means that may support the commission of offences in the 'crime risk areas';

d) the **controls in place,** whether formalised in company procedures or not, have been identified.

Subsequently, areas for improvement were identified, with the formulation of specific suggestions and action plans for the implementation of control principles.

As suggested by the Guidelines, with reference to **culpable offences relating to health and safety in the workplace**, the analysis was conducted on the entire company structure, since, with regard to offences of manslaughter and serious or very serious negligent injury committed in violation of occupational health and safety regulations (hereinafter also referred to as "OHS"), it is not possible to exclude any area of activity a priori, given that such offences may, in fact, affect all components of the company. The Working Group therefore collected and analysed the relevant OHS documentation (including organisational charts, procedures, risk assessment documents, etc.) necessary to understand both the organisational structure of the Company and the areas relating to OHS.

Following this activity, a specific Special Section was drawn up on the basis of the provisions of Article 30 of Legislative Decree 81/2001 ( ).

The result of the work carried out is reported in this Model (General Part, Special Part and related Annexes).

3.3. The structure of the Model

Once the above preparatory activities had been completed, the documents representing the Model were designed and prepared.

In particular, the Company's Model consists **of** a **General Section and a Special Section**, as well as additional documents representing certain control protocols, which complete the framework.

In addition to illustrating the contents of the Decree and the function of the Model, as well as the regulations of the Supervisory Body, **the General Section** summarises the protocols listed below (hereinafter also referred to as 'Protocols'), which – in accordance with the provisions of the trade associations – make up the Model:

- the *governance* model;
- the organisational structure, including in relation to health and safety at work;
- the system of powers of attorney and delegations;
- manual and IT procedures;
- the *budget* and management control system;
- the occupational health and safety control system;
- the regulations governing the Supervisory Body;
- the *Whistleblowing* System;
- the Code of Ethics;
- the Disciplinary System;
- communication and training;
- updating the Model.

In addition, **the list of predicate offences** is attached to the General Section (see *below*, Annex 1).

The **Special Section**, on the other hand, has been structured in two parts:

- **Special Part A**, constructed according to the so-called 'area approach', which therefore contains many sections (each called **'Area at** risk') for each of the areas considered to be at risk of crime and specific indications of the so-called 'sensitive' activities carried out within these areas and all categories of crime considered applicable;
- **Special Part B**, relating to offences of manslaughter and serious or very serious negligent injury committed in violation of health and safety at work regulations.

In **Special Part A**, the following have been indicated, also following the methodological approach already outlined:

i) the areas considered 'at risk of crime' and 'sensitive' activities;

ii) the functions and/or services and/or company offices operating within the 'crime risk' areas or 'sensitive' activities;

iii) crimes that could theoretically be committed;

iv) areas considered "instrumental" (with particular reference to offences against the public administration, corruption between private individuals and tax offences);

v) the type of controls in place in individual areas considered to be 'at risk of crime' and 'instrumental';

vi) the principles of conduct to be observed in order to reduce the risk of offences being committed.

This Special Section should be read in conjunction with the relevant Annex, which summarises a description of the offences relevant to the Company and indicates the possible ways in which the offences may be committed (see **Annex to Special Section A**). The aforementioned Special Section and the relevant Annex form an integral part of the Model.

In **Special Section B**, relating to the prevention of offences in the field of Health and Safety in the Workplace, the following are indicated in particular:

a) the offences referred to in Article 25 *septies* of the Decree;

b) the risk factors existing in the context of the Company's business activities;

c) the Company's organisational structure in relation to OSH;

d) the duties and tasks of each category of persons operating within the Company's organisational structure in relation to OSH;

e) the methods of health surveillance;

f) activities related to information and training;

g) documentation and certification management activities;

h) the OHS control system, the role of the Supervisory Body in relation to health and safety at work, as well as the link with other company functions;

i) the system for recording company activities relating to OHS;

j) the review and updating of the Model;

k) ethical principles and rules of conduct in relation to OHS.

4. THE *GOVERNANCE* MODEL AND ORGANISATIONAL STRUCTURE OF GALILEO ENERGY ITALY

Galileo Energy Italy's *governance* model and, in general, its entire organisational system, is structured in such a way as to ensure that the Company implements its strategies and achieves its objectives.

The structure of Galileo Energy Italy was created taking into account the need to provide the Company with an organisation that would guarantee maximum operational efficiency and effectiveness.

4.1. The *corporate governance* model

Galileo Energy Italy's *corporate governance* system is structured as follows:

- **Shareholders' Meeting**:

Currently, the Company's capital is held by a single shareholder, who is authorised to decide on matters reserved for him by law or by the Articles of Association, as well as on matters that one or more directors submit for his approval.

- **Administrative Body**:

Pursuant to the Articles of Association, the Company may be administered either by a sole director or by a board of directors composed of two or more members, depending on the number determined by the shareholders at the time of appointment.

- **Board of Statutory Auditors**:

At the time of adoption of the Model, the Company did not appoint a Board of Statutory Auditors.

- **Independent Auditors:**

Upon adoption of the Model, the Company appointed an external auditing firm.

4.2. Organisational structure

4.2.1. Definition of the company organisation chart and tasks

In order to make the role and responsibilities of each person in the company's decision-making process immediately clear, Galileo Energy Italy has developed a summary chart outlining its entire organisational structure (organisation chart).

The Company's organisational structure is designed to ensure, on the one hand, the separation of tasks, roles and responsibilities between operational and control functions and, on the other, maximum efficiency.

4.3. The organisational structure for health and safety at work

Without prejudice to the more detailed analysis that will be provided in Special Part B, it should be noted that, with regard to health and safety at work, the Company has adopted an organisational structure that complies with current health and safety legislation, with a view to eliminating or, where this is not possible, reducing – and therefore managing – occupational risks for workers.

The following individuals operate within this organisational structure:

1) the employer;
2) the supervisors;
3) the head of the prevention and protection service (hereinafter also referred to as 'RSPP');
4) first aiders (hereinafter also referred to as 'APS');

5) fire prevention officers (hereinafter also referred to as 'API');
6) the workers' safety representative (hereinafter also referred to as 'RLS');
7) the competent doctor (hereinafter also referred to as "MC");
8) the emergency team;
9) the workers.

The tasks and responsibilities of the above-mentioned persons in the field of occupational health and safety are formally defined in accordance with the Company's organisational and functional structure, with particular reference to the specific figures operating in this area (RSPP, RLS, competent doctors): in this regard, when defining the organisational and operational tasks of the entire entity, the Company also specifies those relating to the safety activities within their respective areas of competence, as well as the responsibilities associated with the performance of those activities, with particular regard to the tasks of the RSPP, the RLS and the competent doctor.

5. THE SYSTEM OF DELEGATIONS AND PROXIES

5.1. General principles

As required by good business practice and also specified in the Confindustria Guidelines, in the latest version of 2021, the Administrative Body is the body responsible for formally conferring and approving delegations to individual directors; signatory powers are then assigned in line with the defined organisational and management responsibilities and, where the relevant power is assigned, with a precise indication of the thresholds for the approval of expenses.

Pursuant to the Articles of Association, the legal representation of the company is vested in the Sole Director or the Chairman of the Board of Directors, as well as in the directors, agents and attorneys, within the limits of the powers conferred on them in their letters of appointment. In cases where several directors are appointed, the Company is represented by them jointly or severally, in the same way as the powers of administration were assigned at the time of appointment.

The representation of the Company for individual acts or categories of acts may be conferred on employees of the Company and also on third parties by persons authorised to exercise legal representation.

The level of autonomy, power of representation and spending limits assigned to the various holders of delegated powers and powers of attorney within the Company must always be identified. They must be set in a manner consistent with the role or hierarchical level of the recipient of the delegation or power of attorney, within the limits of what is strictly necessary for the performance of the tasks and duties to be assigned.

The powers thus conferred are periodically updated in line with organisational changes in the structure of the Company .

5.2. The structure of the system of delegations and powers of attorney at Galileo Energy Italy

In compliance with the limits set forth by law and the Articles of Association, the Administrative Body may delegate its powers to an executive committee composed of at least two members, to one or more managing

directors, limiting their powers, as well as to attorneys for specific acts or categories of acts.

The general guidelines governing the conferral of signing powers are as follows:

1) indication of the delegating party and source of its power of delegation or power of attorney;
2) indication of the delegate, with explicit reference to the function assigned to them and the link between the delegations and powers of attorney conferred and the organisational position held by the delegate;
3) indication of the subject matter, consisting of a list of the types of activities and acts for which the delegation/power of attorney is granted. These activities and acts are always functional and/or closely related to the competences and functions of the delegatee;
4) where applicable, indication of the value limits within which the delegate is authorised to exercise the power conferred upon them. This value limit is determined according to the role and position held by the delegate within the company organisation.

The system of delegations and signing powers is updated in line with changes in the company structure, so as to be as consistent as possible with the hierarchical-functional organisation and the needs of the Company.

6. P MANUAL AND IT PROCEDURES

The Company has developed procedures and guidelines to regulate and guide the conduct of business activities.

In this context, therefore, the Company undertakes to ensure compliance with, among others, the following principles:

- **encouraging the involvement of multiple parties** in order to achieve an adequate separation of duties through the counterbalancing of functions;
- **adopting measures to ensure that every operation, transaction and action is verifiable, documented, consistent and appropriate**;
- **prescribing the adoption of measures aimed at documenting the controls carried out with respect to the operations and/or actions performed**.

With regard to procedures for the management and prevention of OHS risks, further details will be provided in the relevant Special Section.

7. THE BUDGET AND MANAGEMENT CONTROL

The Company's management control system provides for mechanisms to verify the management of resources, which must ensure not only the verifiability and traceability of expenses, but also the efficiency and cost-effectiveness of the Company's activities, with the following objectives:

- clearly, systematically and comprehensively defining all the resources available to the company's departments and the scope in which they can be used, through planning and *budget* definition;
- ensuring that the *budget* is prepared on the basis of 'reasonable' business objectives, subject to adequate

analysis of previous years' results;

– identifying any deviations from *the budget*, analysing the causes and reporting the results of the assessments to the hierarchically responsible levels in order to prepare the most appropriate adjustments, through the relevant final balance.

8. THE OCCUPATIONAL HEALTH AND SAFETY CONTROL SYSTEM

8.1. Management of occupational health and safety issues

The management of issues related to health and safety at work is carried out with the aim of systematically providing for:

- ✓ the identification and assessment of risks;
- ✓ the identification of appropriate prevention and protection measures in relation to the risks identified, so that these risks are eliminated or, where this is not possible, reduced to a minimum – and therefore managed – in relation to the knowledge acquired on the basis of technical progress;
- ✓ limiting to a minimum the number of workers exposed to risks;
- ✓ the definition of adequate collective and individual protection measures, it being understood that the former must take priority over the latter;
- ✓ health checks for workers based on specific risks;
- ✓ planning prevention, aiming for a complex that coherently integrates the technical and production conditions of the company with the influence of environmental and work organisation factors, as well as the subsequent implementation of the planned interventions;
- ✓ the adequate training, instruction, communication and involvement of the recipients of the Model, within the limits of their respective roles, functions and responsibilities, in matters related to OSH;
- ✓ regular maintenance of environments, equipment, machinery and systems, with particular regard to the maintenance of safety devices in accordance with the manufacturers' instructions.

The operating procedures for the practical implementation of the activities and the achievement of the above objectives are defined in the company procedures, drawn up in accordance with current prevention regulations, which ensure the adequate traceability of the processes and activities carried out (see also Special Part B).

9. THE SUPERVISORY BODY

9.1. The appointment, composition and requirements of the Supervisory Body

The Administrative Body has appointed a Supervisory Body in accordance with the provisions of the Confindustria Guidelines.

In particular, the Body has a collegial composition and is chaired by an external member with expertise in legal, criminal and compliance matters.

The Supervisory Body is appointed by the Administrative Body by means of a specific resolution.

With the same resolution, the Administrative Body also sets the remuneration due to the members of the Supervisory Body for the tasks assigned to each of them. The appointment of the Supervisory Body, its duties and powers are promptly communicated to the Company.

The Supervisory Body of Galileo Energy Italy, in compliance with the provisions of the Confindustria Guidelines, meets the following requirements, which refer to the Body as such and characterise its actions:

- autonomy and independence: the SB is not expected to have any operational tasks that could compromise its objectivity of judgement and is not subject to the hierarchical and disciplinary power of any corporate body or function;
- professionalism: understood as the set of tools and techniques necessary to carry out the assigned activities;
- continuity of action: the SB is provided with an adequate *budget* and adequate resources and is dedicated exclusively to supervisory activities so that effective and constant implementation of the Model is guaranteed;
- honesty and absence of conflicts of interest: in accordance with the terms of the law with reference to directors and members of the Board of Statutory Auditors, where appointed.

9.2. Cases of ineligibility and forfeiture

The members of the SB are chosen from among individuals, including those outside the entity, who are qualified and experienced in the legal field and internal control systems.

The following constitute grounds for ineligibility and/or forfeiture of office of a member of the Supervisory Board:

i) disqualification, incapacitation or, in any case, criminal conviction, even if not final, for one of the offences provided for in the Decree or, in any case, to one of the penalties referred to in Article 2 of Ministerial Decree No. 162 of 30 March 2000, or which entails disqualification, even temporary, from public office or the inability to hold executive positions;

ii) the existence of family ties, marriage or affinity within the fourth degree with members of the Administrative Body, as well as with external persons in charge of auditing;

iii) without prejudice to any employment relationship, the existence of financial relationships between the member and the entity, such that, by their nature and economic value, they compromise the independence of the member; in this regard, the *best practices* issued by the National Council of Chartered Accountants and Accounting Experts for the Board of Auditors may be taken into consideration.

If, during the course of the assignment, a cause for forfeiture arises, the member is required to immediately inform the Administrative Body.

The eligibility requirements and/or grounds for disqualification also apply to the resources used directly by the SB in the performance of its duties.

9.3. Term of office and grounds for termination

The appointment of the SB is for a term of three years and may be renewed.

The termination of the appointment of the SB, understood as a single body, may occur for one of the following reasons:

- expiry of the appointment;
- revocation of the SB by the Administrative Body;
- resignation of all members of the SB, formalised by means of a specific written communication sent to the Administrative Body.

The revocation of the SB as a body may only occur for just cause, also in order to guarantee its absolute independence. Just cause for revocation may include, but is not limited to:

i) serious negligence in the performance of duties related to the appointment;

ii) the possible involvement of the Company in criminal or civil proceedings related to omitted or insufficient supervision.

Revocation for just cause is decided by resolution of the Administrative Body.

In the event of expiry, revocation or resignation, the Administrative Body shall appoint a new SB without delay.

Outside of cases involving the entire SB, the termination of the appointment of an individual member may occur:

- following revocation for just cause by the Administrative Body;
- following resignation from the position, formalised by means of a specific written communication sent to the Administrative Body;
- if one of the causes for forfeiture referred to in the previous paragraph occurs.

In addition to the cases provided for above for the entire Body, the following cases, by way of example, shall also be considered just cause for revocation:

a) the case in which an individual member is involved in criminal proceedings concerning the commission of an intentional crime;
b) the case in which a breach of the confidentiality obligations incumbent on members of the SB is found;
c) unjustified absence from more than three consecutive meetings of the SB.

In any case, revocation is ordered by resolution of the Administrative Body.

In the event of the termination of one or more members, the Administrative Body shall promptly replace them. The member thus appointed shall expire together with the other members of the SB.

The aforementioned Body may, however, operate on a temporary basis, even if only one member remains in office.

9.4. The resources of the Supervisory Body

The Administrative Body shall allocate to the SB the human and financial resources deemed appropriate for the performance of its duties. In particular, the SB may make use of external resources with expertise in *internal auditing, compliance,* criminal law, health and safety in the workplace, etc.

In any case, where necessary, the Administrative Body may assign additional resources to the entity on the recommendation of the SB, in a number appropriate to the size of the entity and the tasks assigned to the SB itself.

All assigned resources, while continuing to report to their hierarchical superior, report to the SB for activities carried out on its behalf. With regard to financial resources, the SB may dispose of *the budget* allocated to it annually by the Administrative Body, upon the SB's proposal, for all requirements necessary for the proper performance of its tasks.

If it deems it appropriate, during its term of office, the SB may request the Administrative Body, by means of a written communication stating the reasons, to allocate additional human and/or financial resources. In addition to the above resources, the SB may, under its direct supervision and responsibility, avail itself of the assistance of all the entity's structures, as well as external consultants; for the latter, remuneration shall be paid using the financial resources allocated to the SB.

9.5. The tasks and powers of th

Given the functions primarily identified by the Decree as falling within the remit of the Supervisory Body, namely to monitor the functioning and compliance with the Model and to ensure its updating, the SB is generally responsible for the following tasks:

1) verification and supervision of the Model, namely:
   - verifying the adequacy of the Model, i.e. its suitability for preventing the occurrence of unlawful conduct, as well as highlighting any such conduct that may occur;
   - verifying the effectiveness of the Model, i.e. the correspondence between actual conduct and that formally provided for in the Model itself;
   - to this end, monitoring the entity's activities by carrying out periodic and extraordinary (so-called 'spot') checks, as well as the related *follow-ups*;
2) updating the Model, namely:
   - updating the Model, proposing, if necessary, to the Administrative Body or to the functions of the entity that may be responsible for adapting it, in order to improve its adequacy and effectiveness, also in consideration of any regulatory changes and/or changes in the organisational structure or activities of the entity and/or significant violations of the Model that have been identified;
3) providing information and training on the Model, namely:
   - monitoring initiatives aimed at promoting the dissemination of the Model among all persons required to comply with its provisions (hereinafter also referred to as 'Recipients');
   - monitoring initiatives, including courses and communications, aimed at promoting adequate

knowledge of the Model by all Recipients;

- responding in a timely manner, including by preparing specific opinions, to requests for clarification and/or advice from departments or resources or from administrative and control bodies, where these are related and/or connected to the Model;

4) managing information flows to and from the SB, namely:

- ensuring the timely fulfilment by the parties concerned of all *reporting* activities relating to compliance with the Model;
- examining and evaluating all information and/or reports received and related to compliance with the Model, including those concerning suspected violations of the same;
- informing the competent bodies, specified below, about the activities carried out, the related results and the planned activities;
- report any violations of the Model and the persons responsible to the competent bodies for appropriate action, proposing the sanction deemed most appropriate for the specific case;
- in the event of checks by institutional bodies, including the Public Authority, provide the necessary information support to the inspecting bodies.

In carrying out the tasks assigned to it, the SB is always required to:

- to document in a timely manner, including by compiling and maintaining specific registers, all activities carried out, initiatives and measures adopted, as well as information and reports received, also in order to ensure the complete traceability of the actions taken and the indications provided to the relevant departments of the entity concerned;
- record and keep all documentation created, received or otherwise collected in the course of its duties and relevant to the proper performance of those duties.

In order to carry out the tasks assigned to it, the SB is granted all the powers necessary to ensure timely and efficient supervision of the functioning and compliance with the Model, without exception.

The SB, also through the resources at its disposal, has the power, by way of example, to:

- carry out, including unannounced, all checks and inspections deemed appropriate for the proper performance of its duties;
- free access to all functions, archives and documents of the entity, without prior consent or authorisation, in order to obtain any information, data or documents deemed necessary;
- to arrange, where necessary, for the hearing of resources that can provide useful information or indications regarding the performance of the organisation's activities or any malfunctions or violations of the Model;
- to avail itself, under its direct supervision and responsibility, of the assistance of all the organisation's structures or external consultants;
- to have at its disposal, for all purposes necessary for the proper performance of its duties, the financial resources allocated by the Administrative Body.

9.6. The Supervisory Body's Internal Regulations

Once appointed, the SB shall draw up its own internal regulations to govern the specific aspects and procedures of its activities.

In particular, these regulations must govern the following aspects:

a) the type of verification and supervision activities carried out;

b) the type of activities related to updating the Model;

c) activities related to the fulfilment of information and training tasks for the recipients of the Model;

d) the management of information flows to and from the SB;

e) the functioning and internal organisation of the SB (convening and decisions of the Body, minutes of meetings, etc.).

With specific regard to the scheduling of meetings, the Regulations shall provide that the SB shall meet on a quarterly basis and, in any case, whenever required by the specific needs related to the performance of the SB's activities.

9.7. Reporting to the Supervisory Body

The SB must be promptly informed by all company personnel, as well as by third parties required to comply with the provisions of the Model, of any information relating to the existence of possible violations of the Model.

In any case, the following information must be sent to the SB immediately and without fail:

a) that may be relevant to violations, including potential violations, of the Model, including, but not limited to:

   a) any orders received from superiors that are considered to be in conflict with the law, internal regulations, or the Model;

   b) any requests or offers of money, gifts (exceeding a modest value) or other benefits from, or intended for, public officials or public service employees and/or private individuals;

   c) any significant deviations from *the budget* or spending anomalies that emerge from authorisation requests during the finalisation phase of Management Control;

   d) measures and/or news from judicial police bodies or any other authority indicating that investigations are being carried out that affect, even indirectly, the Company, its employees or members of its corporate bodies;

   e) requests for legal assistance submitted by employees pursuant to the National Collective Labour Agreement ('CCNL'), in the event of criminal proceedings being brought against them in relation to activities carried out in the interests of the Company;

   f) information relating to ongoing disciplinary proceedings and any sanctions imposed or the reasons for their dismissal;

g) any reports, not promptly investigated by the competent departments, concerning deficiencies or inadequacies in the workplace, work equipment or protective equipment made available by the Company, or any other situation posing a risk to health and safety at work;

h) any accidents or illnesses that cause an inability to perform normal duties for at least a period of forty days;

i) any violation, even potential, of environmental legislation;

j) any communications from the auditing firm/sole auditor concerning aspects that may indicate a deficiency in internal controls;

k) information relating to the existence of an actual or potential conflict of interest with the Company.

b) relating to the Company's activities, which may be relevant to the performance by the SB of the tasks assigned to it, including, without limitation:

a) information relating to organisational changes or changes to existing company procedures and updates to the system of powers and delegations;

b) decisions relating to the application for, disbursement and use of public funding;

c) summary prospectuses of public contracts obtained following national and/or international tenders;

d) expiring authorisations/licences, in particular for import, export and transit;

e) any information relating to the initiation of administrative proceedings by administrative authorities (such as the Data Protection Authority, AGCM, etc.);

f) reports on health and safety at work, and in particular the minutes of the periodic meeting referred to in Article 35 of Legislative Decree No. 81/2008 (annual), as well as all data relating to accidents at work that have occurred on the Company's sites, including those involving contractors' employees; any updates to the DVR, as reported by the competent doctor, of any abnormal situations found during periodic or scheduled visits;

g) the annual financial statements, accompanied by the explanatory notes, as well as the balance sheet;

h) the list of any sponsorships, donations and charitable initiatives undertaken by the Company in favour of associations and/or public or private entities, indicating the recipient and the type of charitable donation;

i) communications from the auditing firm/sole auditor regarding any critical issues that have emerged, even if resolved;

j) the assignments given to the auditing firm/sole auditor other than the audit assignment;

k) reports resulting from inspections carried out by the control bodies and, in particular, reports relating to access to classified information and/or documents;

l) results of all internal audits.

In order to ensure the effective performance of its activities, the SB may supplement the above-mentioned information flows with requests for additional information deemed necessary, establishing the frequency and the company representatives responsible for its transmission, and preparing specific checklists and/or formats.

In relation to the information flows described above, appropriate dedicated communication channels are in place, specifically a dedicated email address: **odv@galileo.energy.**

9.8. Reporting by the Supervisory Body to the corporate bodies

With regard to the SB's *reporting* to the corporate bodies, it should be noted that the SB reports in writing, on an annual basis, to the Administrative Body on the activities carried out during the period and on the outcome of the same, also providing a preview of the general lines of action for the following period.

The *reporting* activity will focus, in particular, on:

- the activities carried out by the SB;
- any issues or critical points that have emerged during the course of its supervisory activities;
- the corrective actions, necessary or possible, to be taken in order to ensure the effectiveness and efficiency of the Model, as well as the status of implementation of the corrective actions decided by the Administrative Body;
- the detection of conduct in violation of the Model;
- any failure or lack of cooperation on the part of company departments in carrying out their verification tasks;
- any information deemed useful for the purposes of urgent decisions by the relevant bodies.

In any case, the SB may refer to the Administrative Body whenever it deems it appropriate for the effective and efficient fulfilment of the tasks assigned to it. Meetings must be minuted and copies of the minutes must be kept at the SB's offices.

10. THE *WHISTLEBLOWING* SYSTEM

In compliance with the latest provisions of Legislative Decree No. 24/2023 *implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions on the protection of persons who report breaches of national* law' (hereinafter also referred to as **the** 'Whistleblowing Decree'), the Galileo Group has adopted a specific procedure to regulate the process of sending and managing reports of breaches in accordance with the *Whistleblowing* Decree itself.

In particular, reports may concern information that the Recipients and Third-Party Recipients (see paragraph 12.2.1) have become aware of in the context of the Company's work and which concern alleged violations of national or European Union regulations in the areas covered by the *Whistleblowing* Decree, as well as violations of Model 231 and other internal regulations and Decree 231 (e.g. conduct constituting the predicate offences provided for in Decree 231 itself).

In particular, in order to facilitate reporting by individuals who become aware of the aforementioned violations/information, appropriate dedicated internal reporting channels are in place, namely:

i) online channel, available at the link https://galileoenergy.integrityline.com/;

ii) In person, upon request via IT channels or by email (compliance@galileo.energy).

Within seven (7) days of receipt of the report, the reporter will be sent a confirmation of receipt and, within three months of the date of the confirmation of receipt, feedback will be provided on the follow-up given to the report, unless the verification activities require further investigation. In such cases, the reporter will in any case be notified of the progress and, once the investigation has been completed, of the relevant conclusion.

The Company undertakes to guarantee the confidentiality and integrity of all information contained in the report and in the documentation attached to it - and, in particular, the confidentiality of the identity of the whistleblower, the person to whom the reported facts refer and any other persons mentioned in the report – ensuring that access to the aforementioned information is restricted to authorised persons, in accordance with the relevant regulations on the processing of personal data.

Furthermore, the Company guarantees that the whistleblower and other persons protected under the Whistleblowing Decree (e.g. facilitators assisting the whistleblower, etc.) will not be subject to direct or indirect retaliation or discrimination for reasons directly or indirectly related to the report made. Any actions taken in violation of the prohibition of retaliation are null and void.

Any violation of the prohibition on retaliatory and discriminatory behaviour may give rise to disciplinary proceedings and the consequent imposition of sanctions (see paragraph 12 below).

For further details on the process of submitting and managing reports relevant to the *Whistleblowing* Decree, please refer to the Galileo Group Whistleblowing Procedure, which forms an integral part of this Model.

11. THE CODE OF ETHICS

As required by the Guidelines of the main trade associations, the Code of Ethics is one of the fundamental protocols for the construction of a valid Model, pursuant to the Decree, suitable for preventing the predicate offences indicated in the Decree itself.

The Galileo Group has adopted a Code of Ethics that establishes the core principles of honesty, transparency, loyalty and integrity, which all employees, consultants and suppliers must adhere to in the performance of their business activities. The document defines the ethical and behavioural standards that govern internal relations and relations with third parties, with the aim of protecting the Group's reputation and ensuring compliance with the commitments made to stakeholders.

The Code of Ethics, an integral part of this Model, provides, among other things, for:

- the adoption of a **zero-tolerance** policy towards **fraud, corruption, money laundering and terrorist financing**, combating any behaviour that may encourage or facilitate such practices.
- the regulation of **conflicts of interest**, prohibiting any unauthorised commercial relationship that could compromise the impartiality of corporate decisions;
- the management of **gifts and hospitality**, through the adoption of strict rules to prevent undue influence on company decisions, thus promoting maximum transparency and integrity in commercial relations;
- **the protection of confidentiality and data**, requiring the use of company and personal data exclusively for legitimate purposes, in accordance with current legislation on privacy and personal dat on, in order to guarantee the security and confidentiality of the Group's sensitive information;

- the centrality of **health and safety at work**, with the commitment of Galileo Group companies to promote a safe and inclusive working environment, protecting the dignity of each individual and taking concrete measures to prevent discrimination, harassment and violations of health and safety regulations.

Compliance with the Code of Ethics is the personal responsibility of all those who work within the Company, who are required to act in accordance with its principles and regulations in the performance of their duties. In the event of a breach of the Code of Ethics, the Company reserves the right to take disciplinary action against the persons concerned in accordance with applicable legislation and the disciplinary system provided for in the Model (see paragraph 12 *below*).

12. THE DISCIPLINARY SYSTEM OF GALILEO ENERGY ITALY

12.1. Development and adoption of the Disciplinary System

Pursuant to Articles 6 and 7 of the Decree, the Model can be considered effectively implemented, for the purposes of excluding the Company's liability, if it provides for a disciplinary system suitable for sanctioning non-compliance with the measures indicated therein.

Galileo Energy Italy has therefore adopted a disciplinary system (hereinafter also referred to as **the** "Disciplinary System") primarily aimed at sanctioning violations of the principles, rules and measures set out in the Model and related Protocols, in compliance with the provisions of national collective bargaining agreements, as well as applicable laws and regulations.

On the basis of this Disciplinary System, violations of the Model and related Protocols committed by persons in "senior" positions – as holders of representative, administrative or management functions of the Company or of one of its organisational units with financial and functional autonomy, or holders of the power, even if only de facto, to manage or control the Company itself – and violations committed by persons subject to the management or supervision of others or operating in the name and/or on behalf of the Company.

In accordance with the provisions of the Confindustria Guidelines, the initiation of disciplinary proceedings, as well as the application of the relevant sanctions, are independent of the initiation and/or outcome of any criminal proceedings concerning the same conduct relevant to the Disciplinary System.

12.2. The structure of the Disciplinary System

The Disciplinary System, together with the Model of which it is one of the main protocols, is delivered, including electronically or on computer media, to senior management and employees.

12.2.1. The recipients of the Disciplinary System

Senior Management

The rules and principles contained in the Model and related Protocols must be complied with, first and foremost, by persons who hold a so-called "senior" position within the Company's organisation.

Pursuant to Article 5, paragraph 1, letter a) of the Decree, this category includes persons "*who hold representative, administrative or management positions within the entity or one of its organisational units with*

financial and functional autonomy", as well as persons who "*exercise, even de facto, the management or* control" of the entity.

The position of the members of the Company's administrative body (hereinafter also referred to as "Directors") is relevant, regardless of the system chosen from among those indicated by the legislator (sole director/board of directors).

Furthermore, in accordance with Article 5 of the Decree, the category of Senior Management includes persons with financial and functional autonomy, members of the Board of Statutory Auditors/Sole Statutory Auditor, as well as - where present - the heads of secondary offices. These persons may be linked to the Company either by an employment relationship (e.g. certain managers with particular financial power or autonomy) or by other private law relationships (e.g. mandate, agency, representation, etc.).

Employees

Article 7, paragraph IV, letter b) of the Decree requires the adoption of an appropriate Disciplinary System that sanctions any violations of the measures provided for in the Model committed by persons subject to the management or supervision of a 'senior' person.

In this regard, the position of all Galileo Energy Italy employees linked to the Company by an employment relationship is relevant, regardless of the contract applied, the qualification and/or company classification recognised (e.g., non-senior managers, middle managers, office workers, manual workers, fixed-term workers, workers with entry-level contracts, etc.; hereinafter also referred to as 'Employees').

This category also includes Employees who are assigned, or who in any case perform, specific functions and/or tasks relating to health and safety at work (e.g., the Head and Staff of the Prevention and Protection Service, First Aid Officers, Fire Protection Officers, Workers' Safety Representatives, etc.).

Other persons required to comply with the Model

This Disciplinary System also serves to sanction violations of the Model committed by persons other than those indicated above.

These include, in particular, all persons (hereinafter also collectively referred to as **'Third** Party Recipients') who are in any case required to comply with the Model by virtue of the function they perform in relation to the corporate and organisational structure of the Company, for example because they are functionally subject to the management or supervision of a 'senior' person, or because they work, directly or indirectly, for Galileo Energy Italy.

This category includes:

- all those who have a non-subordinate working relationship with the Company (e.g., contractors, subcontractors, project collaborators, consultants, temporary workers, collaborators under service contracts);
- persons working for the company appointed to audit/the sole auditor (hereinafter also referred to as the 'Auditor'), to whom the Company may delegate the task of accounting control;
- members of the Board of Statutory Auditors (where appointed);
- collaborators in any capacity;

- attorneys, agents and all those acting in the name and/or on behalf of the Company;
- persons assigned to, or who in any case perform, specific functions and tasks relating to health and safety at work;
- contractors and partners.

12.2.2. Conduct relevant to the application of the Disciplinary System

For the purposes of this Disciplinary System, and in compliance with the provisions of collective bargaining agreements (where applicable), all conduct, whether commission or omission (including negligence), that is likely to undermine the effectiveness of the Model as a tool for preventing the risk of offences relevant to the Decree constitutes a violation of the Model.

In accordance with the constitutional principle of legality and the principle of proportionality of sanctions, taking into account all the elements and/or circumstances inherent therein, it is considered appropriate to define the possible violations, graded in order of increasing severity.

In particular, the following conduct is relevant for Special Part A:

1) failure to comply with the Model, in the case of minor violations of company procedures and/or the Model and related Protocols carried out in the context of 'sensitive' activities referred to in the Areas at risk identified in Special Part A of the Model, and provided that none of the conditions set out in paragraphs 3 and 4 below apply;
2) failure to comply with the Model, in the event of serious and/or repeated violations of company procedures and/or the Model and related Protocols carried out in the context of "sensitive" activities referred to in the Areas at risk identified in Special Part A of the Model, and provided that none of the conditions set out in paragraphs 3 and 4 below apply;
3) failure to comply with the Model, in the event of a violation that constitutes one of the offences provided for in the Decree;
4) failure to comply with the Model, in the event of a violation that constitutes one of the offences provided for in the Decree, such as to determine the actual or potential application, against the Company, of the sanctions provided for in the Decree itself;
5) failure to comply with the provisions of the Whistleblowing Decree, with particular reference to: (i) violation of the measures to protect the confidentiality of the whistleblower and other persons protected under the Whistleblowing Decree; (ii) the adoption of conduct aimed at obstructing or attempting to obstruct the report; (iii) the adoption of discriminatory measures and retaliatory acts against persons who make reports and other persons protected under the Whistleblowing Decree; (iv) failure to carry out verification and analysis of reports received; (v) as well as the making of reports that prove to be unfounded, whether intentionally or through gross negligence.

It is also appropriate to define possible violations concerning occupational health and safety (Special Part B), also graded in ascending order of severity:

6) failure to comply with the Model, if the violation results in a situation of actual danger to the physical integrity of one or more persons, including the perpetrator of the violation, and provided that none of the conditions set out in paragraphs 7, 8 and 9 below apply;

7) failure to comply with the Model, if the violation causes injury to the physical integrity of one or more persons, including the perpetrator of the violation, and provided that none of the conditions set out in paragraphs 8 and 9 below apply;

8) failure to comply with the Model, if the violation causes injury, classifiable as 'serious' within the meaning of Article 583, paragraph 1, of the Criminal Code, to the physical integrity of one or more persons, including the perpetrator of the violation, and provided that none of the conditions set out in paragraph 9 below apply;

9) failure to comply with the Model, if the violation causes injury, classifiable as 'very serious' pursuant to Article 583, paragraph 1, of the Italian Criminal Code, to the physical integrity or death of one or more persons, including the perpetrator of the violation.

12.2.3. Sanctions

The Disciplinary System provides for sanctions that may be imposed for each category of persons required to comply with the Model in relation to each of the relevant types of conduct.

In any case, for the purposes of applying sanctions, the principles of proportionality and adequacy with respect to the alleged violation must be taken into account, as well as the following circumstances:

a) the seriousness of the conduct or the event that it caused;
b) the type of violation;
c) the circumstances in which the conduct took place;
d) the intensity of the intent or the degree of negligence.

For the purposes of any aggravation of the sanction, the following elements shall also be taken into account:

i. the commission of multiple violations within the same conduct, in which case the penalty will be increased with respect to the penalty provided for the most serious violation;
ii. any involvement of multiple parties in committing the violation;
iii. any repeat offences by the perpetrator.

Penalties for senior managers

If a senior manager is found to have committed one of the relevant violations and does not fall within the category of employees, the following sanctions will be applied:

- written warning;
- a warning to comply strictly with the Model;
- reduction of remuneration by an amount determined by the Administrative Body;
- dismissal from office.

If the violation is contested by a Director linked to the Company by an employment relationship, the sanctions provided for Employees in the following paragraph will be applied.

In particular:

a) for violations referred to in nos. 1) and 6) of paragraph 12.2.2., the sanction of a written warning or

a warning to comply with the Model will be applied;

b) for violations referred to in nos. 2) and 7) of paragraph 12.2.2., the sanction of a warning to comply with the provisions of the Model or a reduction in remuneration for the amount decided by the Administrative Body shall be applied;

c) for violations referred to in nos. 3) and 8) of paragraph 12.2.2., the sanction of reduction of remuneration or dismissal from office shall be applied;

d) for violations referred to in nos. 4) and 9) of paragraph 12.2.2., the sanction of removal from office will be applied.

With reference to the violation referred to in point 5) of paragraph 12.2.2., the above sanctions will be applied, graded according to the seriousness of the conduct.

Sanctions against managers

If one of the violations indicated in paragraph 12.2.2. is ascertained to have been committed by a person who qualifies as a manager, the sanctions provided for in the National Collective Labour Agreement for Managers of Tertiary, Distribution and Service Companies will be applied.

Sanctions against employees

If one of the violations indicated in paragraph 12.2.2 is ascertained to have been committed by a person who qualifies as an employee, the sanctions provided for in the National Collective Labour Agreement for Commerce for employees of companies in the Tertiary, Distribution and Services sectors will be applied.

Specifically, the following disciplinary sanctions shall be applied to employees responsible for multiple offences, in accordance with the principle of proportionality and graduality:

- verbal warning;
- written warning;
- fine not exceeding three hours' pay calculated on the minimum wage;
- suspension from work and pay for up to a maximum of three days;
- disciplinary dismissal with or without notice.

In particular:

a) for violations referred to in points 1) and 6) of paragraph 12.2.2., a verbal warning or written warning will be applied;

b) for violations referred to in points 2) and 7) of paragraph 12.2.2, a written warning or a fine will be applied;

c) for violations referred to in points 3) and 8) of paragraph 12.2.2., the penalty of a fine or suspension from work and pay shall be applied;

d) for violations referred to in points 4) and 9) of paragraph 12.2.2, the penalty of dismissal with or without notice will be applied depending on the seriousness of the conduct.

With reference to the violation referred to in point 5) of paragraph 12.2.2., the above penalties will be applied, graded according to the seriousness of the conduct.

Penalties against Third Party Recipients

If a Third Party Recipient is found to have committed one of the violations indicated in paragraph 12.2.2, the following sanctions will be applied:

- a warning to comply with the Model, under penalty of a fine or the suspension or termination of the contractual relationship with the Company;
- the application of a conventionally agreed penalty;
- suspension of the existing contractual relationship and payment of the related consideration;
- immediate termination of the contractual relationship with the Company.

The clauses and related penalties may vary depending on the type of person qualifying as a Third Party Recipient (depending on whether or not they are acting in the name and on behalf of the Company).

In the event that the violations referred to in paragraph 12.2.2. are committed by temporary workers or in the context of works or service contracts, the penalties will be applied to the supplier or contractor, following positive verification of the violations by the worker.

In its relations with Third Party Recipients, the Company shall include specific clauses in letters of appointment and/or related contractual agreements providing for the application of the above measures in the event of a violation of the Model.

12.2.4. The procedure for imposing sanctions

The sanctioning procedure usually begins following receipt by the competent company bodies of the communication in which the SB reports the violation of the Model. In any case, the Administrative Body or the company bodies responsible for this may take action independently even in the absence of a report from the SB.

More specifically, in all cases where, in the course of its supervisory and verification activities, it acquires evidence that may constitute a violation of the Model, the SB carries out the investigations and checks that fall within the scope of its activities and are deemed appropriate.

Once the verification and control activities have been completed, the SB shall assess, on the basis of the evidence in its possession, whether a punishable violation of the Model has actually occurred. If so, it shall report the violation to the competent corporate bodies; if not, it may forward the report to the other competent functions for the purpose of assessing the possible relevance of the conduct with respect to other applicable laws or regulations .

If a violation of the Model is found, the SB shall send a report to the Administrative Body containing:

- a description of the conduct observed;
- an indication of the provisions of the Model that have been violated;
- the details of the person responsible for the violation;
- any documents proving the violation and/or other supporting evidence.

In all cases, the person concerned must be heard, any deductions made by them must be recorded and any further investigations deemed appropriate must be carried out.

If the person concerned is also an employee of the Company, all the mandatory procedures provided for in the Workers' Statute must be complied with, without any limitation.

13. COMMUNICATION AND TRAINING ON THE MODEL AND PROTOCOLS

13.1. Communication and involvement regarding the Model and related Protocols

In order to ensure the correct and effective functioning of the Model, the Company undertakes to implement its disclosure, adopting the most appropriate initiatives to promote and disseminate knowledge of it, differentiating the content according to the Recipients. In particular, ensuring formal communication of the Model to all persons related to the Company through appropriate means of dissemination and posting in a place accessible to all.

For Third Party Recipients required to comply with the Model, a summary of the same is made available upon request and/or published on the website.

In this regard, in order to formalise the commitment to comply with the principles of the Model and the related Protocols by Third-Party Recipients, a specific clause shall be included in the relevant contract or, for existing contracts, a specific supplementary agreement shall be signed to this effect.

The SB promotes, including through the preparation of specific plans implemented by the Company, and monitors all additional information activities that it deems necessary or appropriate.

The Company promotes adequate systems of communication and involvement of the recipients of the Model, within the limits of their respective roles, functions and responsibilities, in matters related to OHS, with particular regard to the following profiles:

- health and safety risks associated with the company's activities;
- the prevention and protection measures and activities adopted;
- the specific risks to which each worker is exposed in relation to the activity carried out;
- procedures concerning first aid, firefighting and the evacuation of workers;
- the appointment of persons entrusted with specific OSH tasks (e.g. RSPP, APS, API, RLS, competent doctor).

The involvement of the parties concerned can also be ensured through prior consultation at special periodic meetings.

13.2. Education and training on the Model and related Protocols

In addition to activities related to informing the Recipients, the SB is responsible for providing periodic and ongoing training, i.e. promoting and monitoring the implementation by the Company of initiatives aimed at fostering adequate knowledge and awareness of the Model and related Protocols, in order to increase the culture of ethics within the Company.

In particular, the principles of the Model, and in particular those of the Code of Ethics, which is part of it, are to be explained to company resources through specific training activities (e.g. courses, seminars, questionnaires, etc.), which are compulsory and whose implementation methods are planned by the SB through the preparation of specific Plans, approved by the Administrative Body and implemented by the

Company.

The Company may, however, provide that courses and other training initiatives on the principles of the Model be differentiated according to the role and responsibility of the personnel concerned, i.e. by providing more intensive training with a higher degree of detail for persons who qualify as 'senior managers' under the Decree, as well as for those working in areas that qualify as 'at risk' under the Model.

The Company also promotes the education and training of the Model's Recipients, within the limits of their respective roles, functions and responsibilities, in matters related to OSH, in order to ensure adequate awareness of the importance of both compliance with the Model and the possible consequences of violations thereof. in this context, particular importance is given to the education and training of individuals who perform OSH-related tasks.

To this end, the Company has defined, documented, implemented, monitored and updated a programme of periodic training and education for the Recipients of the Model – with particular regard to newly hired workers, for whom special qualifications are required – on OHS matters, including with reference to company safety and different risk profiles (e.g., firefighting team, first aid, safety officers, etc.). In particular, training and instruction are to be differentiated according to the workplace and the tasks assigned to workers, and are also to be provided upon recruitment, transfer or change of duties, or the introduction of new work equipment, new technologies, new hazardous substances and preparations.

14. UPDATING THE MODEL

The SB is responsible for monitoring the necessary and continuous updating and adaptation of the Model, including the Code of Ethics, suggesting any necessary or appropriate corrections and adjustments in writing to the Administrative Body or to the relevant company departments.

The Administrative Body is responsible, together with any company departments that may be involved, for updating the Model and adapting it as a result of changes in organisational structures or operational processes, significant violations of the Model itself, or legislative additions.

ANNEX 1: PREDICATE OFFENCES

Below is a summary of the categories of offences relevant to Legislative Decree No. 231/2001 (hereinafter, the "Decree").

The first type of offences for which, according to the Decree, the entity is administratively liable are **those committed against the Public Administration**, which are detailed in **Articles 24 and 25** of the Decree, namely:

- fraud against the State or other public body or the European Union (Article 640, paragraph II, no. 1, of the Italian Criminal Code);
- aggravated fraud for the purpose of obtaining public funds (Article 640 bis of the Criminal Code)[6] ;
- computer fraud against the State or other public body (Article 640 ter of the Criminal Code);
- corruption in the exercise of official duties (Articles 318 and 321 of the Criminal Code);

[6] Last amended by Decree Law No. 13 of 25 February 2022.

- corruption for an act contrary to official duties (Articles 319 and 321 of the Criminal Code);
- corruption in judicial proceedings (Articles 319 ter and 321 of the Criminal Code);
- undue inducement to give or promise benefits (Article 319 quater of the Criminal Code)
- incitement to corruption (Article 322 of the Criminal Code);
- corruption of persons entrusted with public services (Articles 320 and 321 of the Criminal Code);
- embezzlement, extortion, corruption, undue inducement to give or promise benefits and incitement to corruption, abuse of office, by members of international courts or bodies of the European Communities or international parliamentary assemblies or international organisations and by officials of the European Communities and foreign States (Article 322 bis of the Criminal Code)[7] ;
- extortion (Article 317 of the Criminal Code);
- misappropriation of public funds (Article 316 bis of the Criminal Code)[8] ;
- unlawful receipt of public funds (Article 316 ter of the Criminal Code)[9] ;
- disturbance of the freedom of auctions (Article 353 of the Criminal Code)[10] ;
- interference with the freedom of the contractor selection process (Article 353 bis of the Criminal Code)[11] ;
- trafficking in illicit influences (Article 346 bis of the Criminal Code)[12] ;
- fraud in public procurement (Article 356 of the Criminal Code)[13] ;
- fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Article 2 of Law 898/1986)[14] ;
- embezzlement (Art. 314, paragraph 1, of the Criminal Code)[15] ;
- misappropriation of money or movable property (Article 314 bis of the Criminal Code)[16]
- embezzlement by taking advantage of another person's mistake (Art. 316 of the Criminal Code)[17] .

With reference to the cases referred to in Articles 314, first paragraph, 314 bis and 316 of the Criminal Code, indicated above, it should be noted that they are relevant if the act harms the financial interests of the European Union

[7] Last amended by Decree Law No. 92 of 4 July 2024, converted, with amendments, by Law No. 112 of 8 August 2024.
[8] Last amended by Decree Law No. 13 of 25 February 2022.
[9] Last amended by Decree Law No. 13 of 25 February 2022.
[10] Introduced by Law No. 137/2023.
[11]Introduced by Law No. 137/2023.
[12] Introduced by Law No. 3/2019 and amended, most recently, by Law No. 114 of 9 August 2024.
[13] Introduced by Legislative Decree No. 75/2020 .
[14] Introduced by Legislative Decree No. 75/2020.
[15] Introduced by Legislative Decree No. 75/2020.
[16] Introduced by Law No. 112 of 8 August 2024.
[17] Introduced by Legislative Decree No. 75/2020.

Article **24 bis** of the Decree, introduced by Law No. 48 of 18 March 2008, extends the liability of entities to certain **so-called computer crimes**:

- computer documents (Article 491 bis of the Criminal Code);
- unauthorised access to a computer or telecommunications system (Article 615 ter of the Criminal Code)[18] ;
- unauthorised possession, dissemination and installation of equipment, codes and other means designed to access computer or telecommunications systems (Article 615 quater of the Criminal Code)[19] ;
- possession, dissemination and unlawful installation of equipment, devices or computer programmes designed to damage or interrupt a computer or telecommunications system (Article 635 quater.1 of the Criminal Code)[20] ;
- illegal interception, obstruction or interruption of computer or telecommunications communications (Art. 617 quater of the Italian Criminal Code)[21] ;
- possession, dissemination and unlawful installation of equipment and other means designed to intercept, prevent or interrupt computer or telecommunications communications (Article 617 quinquies of the Criminal Code)[22] ;
- so-called 'computer' extortion (Article 629, paragraph 3, of the Italian Criminal Code)[23] ;
- damage to information, data and computer programmes (Article 635 bis of the Criminal Code)[24] ;
- damage to public information, data and computer programmes or those of public interest (Art. 635 ter of the Criminal Code)[25] ;
- damage to computer or telecommunications systems (Art. 635 quater of the Criminal Code)[26] ;
- damage to computer or telecommunications systems of public interest (Art. 635 quinquies of the Italian Criminal Code)[27] ;
- computer fraud by electronic signature certifiers (Article 640-quinquies of the Criminal Code);
- violation of the rules on national cyber security (Article 1, paragraph 11, Decree Law No. 105 of 21 September 2019).

The provision referred to in Article 491 bis of the Criminal Code mentioned above (which states: *'if any of the falsifications provided for in this chapter concerns a public electronic document having probative value, the provisions of this chapter concerning public documents shall* apply') extends the provisions on forgery in public documents provided for in Chapter III of Title V of the Criminal Code to falsifications concerning electronic documents.

[18] Article amended, most recently, by Law No. 90/2024
[19] Article amended by Law No. 238/2021 and, most recently, by Law No. 90/2024.
[20] Article amended by Law No. 238/2021 and, most recently, by Law No. 90/2024.
[21] Article amended by Law No. 238/2021 and, most recently, by Law No. 90/2024.
[22] Article amended by Law No. 238/2021 and, most recently, by Law No. 90/2024.
[23] Introduced by Law No. 90/2024.
[24] Article amended, most recently, by Law No. 90/2024.
[25] Article amended, most recently, by Law No. 90/2024.
[26] Article amended, most recently, by Law No. 90/2024.

[28]Article **24 ter**, introduced by Law No. 94 of 15 July 2009, containing provisions on public security, provides for the liability of entities for the commission of **organised crime offences** and criminal **association** aimed at reducing people to slavery, trafficking in persons or the purchase or sale of slaves (Article 416, paragraph 6 of the Criminal Code);

- criminal association aimed at enslavement, trafficking in persons or the purchase or sale of slaves (Article 416, paragraph 6 of the Criminal Code);
- criminal association of a mafia type (Article 416 bis of the Criminal Code);
- political-mafia electoral exchange (Article 416 ter of the Criminal Code);
- kidnapping for the purpose of extortion (Article 630 of the Criminal Code);
- crimes committed by taking advantage of conditions of subjugation and silence resulting from the existence of mafia influence; association for the purpose of illicit trafficking in narcotic or psychotropic substances (Article 74, Presidential Decree No. 309 of 9 October 1990);
- crimes of illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or war-like weapons or parts thereof, explosives, illegal weapons and multiple common firearms (Article 407, paragraph 2, letter a) no. 5 of the Code of Criminal Procedure).

Law No. 146 of 16 March 2006, which ratified the United Nations Convention and Protocols against Transnational Organised Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001, provided for the liability of entities for certain **transnational offences**.

The offence is considered as such when, in its commission, an organised criminal group is involved and it is punishable by a maximum penalty of not less than four years' imprisonment, as well as, in terms of territoriality, it is committed in more than one State; it is committed in one State but has substantial effects in another State; it is committed in only one State, but a substantial part of its preparation or planning or direction and control takes place in another State; it is committed in one State, but involves an organised criminal group that is active in more than one State.

The offences relevant for this purpose are:

- criminal association (Article 416 of the Criminal Code);
- criminal association of a mafia type, including foreign ones (Article 416 bis of the Criminal Code);
- criminal association for the purpose of smuggling manufactured tobacco (Article 86, Annex 1 to Legislative Decree 141/2024);
- association for the purpose of illicit trafficking in narcotic or psychotropic substances (Article 74 of Presidential Decree No. 309 of 9 October 1990);
- trafficking of migrants (Article 12, paragraphs 3, 3 bis, 3 ter and 5, Legislative Decree No. 286 of 25 July 1998);

[28] Organised crime offences were previously relevant for the purposes of the Decree only if they were transnational in nature.

- obstruction of justice, in the form of failing to make statements or making false statements to the judicial authorities and aiding and abetting (Articles 377 bis and 378 of the Criminal Code).

Article **25 bis** of the Decree – introduced by Article 6 of Law No. 409 of 23 September 2001 and subsequently amended by Law No. 99 of 23 July 2009 and Legislative Decree No. 125/2016 – also refers to **offences of counterfeiting currency,** public credit cards and revenue stamps:

- counterfeiting of currency, spending and introduction into the State, by prior agreement, of counterfeit currency (Article 453 of the Criminal Code);
- alteration of coins (Article 454 of the Criminal Code);
- spending and introducing counterfeit coins into the country without prior agreement (Article 455 of the Criminal Code);
- spending counterfeit currency received in good faith (Article 457 of the Criminal Code);
- counterfeiting of revenue stamps, introduction into the State, purchase, possession or circulation of counterfeit revenue stamps (Article 459 of the Criminal Code);
- counterfeiting of watermarked paper used for the manufacture of public credit cards or revenue stamps (Article 460 of the Criminal Code);
- manufacture or possession of watermarks or instruments intended for the counterfeiting of coins, revenue stamps or watermarked paper (Article 461 of the Criminal Code);
- use of counterfeit or altered revenue stamps (Article 464 of the Criminal Code);
- counterfeiting, altering or using trademarks or distinctive signs or patents, models and designs (Article 473 of the Criminal Code);
- introduction into the State and trade in products with false marks (Article 474 of the Criminal Code).

Article 25 bis.1 – introduced by Law No. 99 of 23 July 2009, containing provisions for the development and internationalisation of businesses, as well as on energy – provides for the liability of entities for offences against industry and commerce, and in particular:

- Disruption of industry or trade (Article 513 of the Criminal Code);
- Unlawful competition with threats or violence (Article 513 bis);
- Fraud against national industries (Article 514 of the Criminal Code);
- Fraud in the exercise of trade (Article 515 of the Criminal Code);
- Sale of non-genuine foodstuffs as genuine (Article 516 of the Criminal Code);
- Sale of industrial products with false markings (Art. 517 of the Criminal Code);
- Manufacture and trade of goods produced by infringing industrial property rights (Article 517 ter of the Criminal Code);
- Counterfeiting of geographical indications or designations of origin of agri-food products (Article 517

quater of the Criminal Code).

Another important type of offence to which the administrative liability of the entity is linked is **corporate offences**, a category governed **by Article 25 ter** of the Decree, a provision introduced by Legislative Decree No. 61 of 11 April 2002, which identifies the following cases:

- false corporate communications (Article 2621 of the Civil Code in its new wording provided for by Law No. 69 of 27 May 2015);
- false corporate communications by listed companies (Article 2622 of the Civil Code, in its new wording provided for by Law No. 69 of 27 May 2015);
- false prospectuses (Article 2623 of the Civil Code, repealed by Article 34 of Law No. 262/2005, which nevertheless introduced Article 173 bis of Legislative Decree No. 58 of 24 February 1998)[29] ;
- falsehood in the reports or communications of the auditing firm (Article 2624 of the Civil Code);
- impeded control (Article 2625 of the Italian Civil Code);
- unlawful return of contributions (Article 2626 of the Civil Code);
- illegal distribution of profits and reserves (Article 2627 of the Civil Code);
- unlawful transactions involving shares or quotas of the company or its parent company (Article 2628 of the Civil Code);
- transactions to the detriment of creditors (Article 2629 of the Civil Code);
- failure to disclose a conflict of interest (Article 2629 bis of the Civil Code);
- fictitious formation of capital (Article 2632 of the Civil Code);
- unlawful distribution of company assets by liquidators (Article 2633 of the Italian Civil Code);
- **corruption between private individuals** (Article 2635, paragraph III of the Italian Civil Code, introduced by Law 190/2012);
- unlawful influence on the shareholders' meeting (Article 2636 of the Civil Code);
- market manipulation (Article 2637 of the Civil Code, amended by Law No. 62 of 18 April 2005);
- obstruction of the functions of public supervisory authorities (Article 2638 of the Civil Code, amended by Law No. 62/2005 and Law No. 262/2005);

[29] Article 2623 of the Italian Civil Code (False prospectus) was repealed by Law No. 262/2005, which reproduced the same provision on offences through the introduction of Article 173-bis of Legislative Decree No. 58 of 24 February 1998 (hereinafter also referred to as the T.U.F.). This new criminal provision is not currently included in the list of offences referred to in Legislative Decree 231/2001. However, some legal scholars believe that Article 173-bis of the Consolidated Law on Finance, although not referred to in Legislative Decree No. 231/2001, is relevant to the administrative liability of entities, as it must be considered to be in regulatory continuity with the previous Article 2623 of the Italian Civil Code. Case law, on the other hand, has ruled to the contrary, albeit on the different offence referred to in Article 2624 of the Italian Civil Code (Falsehood in the reports or communications of the Auditing Firm) [see following note], considering that offence no longer a source of liability under Legislative Decree 231/2001 and relying on the principle of legality of the provisions contained in the Decree. Given the lack of a specific ruling on Article 2623, similar to that issued for Article 2624, as a precautionary measure, it was decided to consider the offence abstractly in the Model.

- false or omitted declarations for the issue of the preliminary certificate (Article 54 of Legislative Decree 19/2023)[30] .

Article **25 quater** - introduced by Law No. 7 of 14 January 2003 - further extends the scope of administrative liability for offences **to crimes committed for the purposes of terrorism and subversion of the democratic order** as provided for in the Criminal Code and special laws.

Furthermore, Article **25 quater.1** of the Decree - introduced by Law No. 7 of 9 January 2006 - provides for the administrative liability of the entity in the event that the offence **of female genital mutilation** (Article 583 bis of the Criminal Code) is committed.

Pursuant to Article **25 quinquies**, introduced by Law No. 228 of 11 August 2003, subsequently amended in 2016, the entity is liable for **crimes against the individual:**

- reduction to or maintenance in slavery (Article 600 of the Criminal Code);
- child prostitution (Article 600-bis, paragraphs 1 and 2 of the Criminal Code);
- child pornography (Article 600-ter of the Criminal Code);
- possession of or access to pornographic material (Article 600-quater of the Criminal Code);
- virtual pornography (Article 600-quater.1 of the Criminal Code);
- tourism initiatives aimed at exploiting child prostitution (Article 600-quinquies of the Criminal Code);
- trafficking in persons (Article 601 of the Criminal Code);
- sale and purchase of slaves (Article 602 of the Criminal Code);
- illegal intermediation and exploitation of labour (Art. 603-bis of the Criminal Code);
- solicitation of minors (Article 609-undecies of the Criminal Code).

Law No. 62/2005, known as the Community Law, and Law No. 262/2005, better known as the Savings Law, have further increased the number of offences relevant to the Decree. In fact, **Art. 25-sexies** was introduced, relating to *market abuse* **offences**:

- abuse or unlawful disclosure of inside information. Recommendation or inducement of others to commit insider trading or market manipulation ( ) (Article 184 of Legislative Decree No. 58/1998);
- market manipulation (Article 185 of Legislative Decree No. 58/1998).

These offences were subsequently amended by Legislative Decree No. 107 of 2018 'Provisions adapting national legislation to the provisions of Regulation (EU) No. 596/2014 on market abuse', which repeals Directive 2003/6/EC and Directives 2003/124/EU, 2003/125/EC and 2004/72/EC, and by Law No. 238/2021 "Provisions for the fulfilment of obligations arising from Italy's membership of the European Union - European

[30] Case introduced by Legislative Decree No. 19/2023.

Law 2019-2020 ( )".

The Italian legislator amended the Decree by means of Law No. 123 of 3 August 2007 and, subsequently, by means of Legislative Decree No. 231 of 21 November 2007.

Law No. 123/2007 introduced Article **25 septies** of the Decree, which was later replaced by Legislative Decree No. 81 of 9 April 2008, which provides for the liability of entities for the **offences of manslaughter and serious or very serious negligent injury** committed in violation of the rules on health and safety at work:

- manslaughter (Article 589 of the Criminal Code), in violation of accident prevention and occupational health and safety regulations;
- negligent personal injury (Article 590, paragraph 3 of the Criminal Code), in violation of accident prevention and occupational health and safety regulations.

Legislative Decree No. 231/2007 introduced Article **25-octies** of the Decree, according to which the entity is liable for the commission of the offences of **receiving stolen goods** (Article 648 of the Criminal Code), **money laundering** (Article 648 bis of the Criminal Code) and **the use of money, goods or benefits of illegal origin** (Article 648 ter of the Criminal Code).

Furthermore, Law No. 186 of 15 December 2014, *"Provisions on the disclosure and repatriation of capital held abroad and on strengthening the fight against tax evasion. Provisions on* self-laundering' introduced the new offence **of self-laundering (**Article 648-ter 1 of the Criminal Code) and, at the same time, provided for an increase in the penalties for the offences of money laundering and use of money, goods or other benefits of illegal origin.

Legislative Decree No. 195 of 8 November 2021, '*Implementation of Directive (EU) 2018/1673 of the European Parliament and of the Council of 23 October 2018 on combating money laundering through criminal* law', in force since 15 December 2021, also introduced significant amendments to the Criminal Code, and in particular to the offences of receiving stolen goods (Article 648 of the Criminal Code), money laundering (Article 648 *bis* of the Criminal Code), use of money, goods or benefits of illegal origin (Article 648 *ter* of the Criminal Code), and self-laundering (Article 648 *ter.1* of the Criminal Code).

For all these offences, the Decree provides for the extension of the list of predicate offences to include negligent offences and misdemeanours punishable by imprisonment for a maximum of one year or a minimum of six months, and a different penalty depending on whether the predicate offence is a crime or a misdemeanour.

In addition, it should be noted that on 14 December 2021, with the entry into force of Legislative Decree 184/2021, the legislator intervened again on Legislative Decree 231/2001, adding **Article 25-octies.1**, according to which entities may also be held liable for certain offences relating to non-cash payment instruments, where committed in their interest or to their advantage. This article was subsequently amended by Decree Law No. 105 of 10 August 2023, converted into Law No. 137/2023 and most recently entitled **'Offences relating to non-cash payment instruments and fraudulent transfer of values**'.

Article 25-octies.1 includes, in the first paragraph, the following offences:

- unauthorised use and falsification of non-cash payment instruments (Article 493-ter of the Italian Criminal Code ( ));
- possession and distribution of equipment, devices or computer programs intended for committing offences relating to non-cash payment instruments (Article 493-quater of the Italian Criminal Code);
- computer fraud (Article 640-ter of the Italian Criminal Code) aggravated by the transfer of money, monetary value or virtual currency;
- fraudulent transfer of valuables (Article 512-bis of the Criminal Code)[31] .

As regards the penalties that may be imposed on the entity in the event of these new predicate offences being committed, Article 25-octies.1 provides for a financial penalty of 300 to 800 units for the offence referred to in Article 493-ter of the Criminal Code and up to 500 units for the offences referred to in Articles 493-quater and 640-ter of the Criminal Code, in the aforementioned aggravated case.

In the second paragraph, Article 25-octies.1 establishes that, unless the act constitutes another administrative offence punishable by a more severe penalty, in relation to the commission of any other offence against public trust, against property or which in any case offends the property provided for by the Criminal Code, involving payment instruments other than cash, the entity shall be subject to a financial penalty:

- up to 500 units, if the offence is punishable by imprisonment of less than ten years;
- from 300 to 800 units, if the offence is punishable by imprisonment of not less than ten years.

Paragraph 2-bis (introduced by Law No. 137/2023) also provides that in relation to the commission of the offence referred to in Article 512-bis of the Criminal Code, a financial penalty of between 250 and 600 units shall be imposed on the entity.

Article **25-novies** - introduced by Law No. 99 of 23 July 2009, containing provisions for the development and internationalisation of businesses, as well as on energy matters - is aimed at establishing the liability of entities for **offences relating to copyright infringement**. In particular, the following offences provided for and referred to in Articles 171, first paragraph, letter a-bis), and third paragraph, 171-bis, 171-ter, 171-septies and 171-octies of Law No. 633 of 22 April 1941 must be considered.

Furthermore, Article 4 of Law No. 116 of 3 August 2009 introduced Article **25-decies**, according to which the entity is held liable for the commission of the offence provided for in Article 377-bis of the Criminal Code, i.e. **inducement not to make statements or to make false statements to the judicial authorities**.

Subsequently, Legislative Decree 121/2011 introduced Article **25-undecies** into the Decree, which extended the administrative liability of entities for offences to so-called **environmental offences**, i.e. two offences recently introduced into the Criminal Code (Articles 727-bis and 733-bis of the Criminal Code) as well as to a series of offences already provided for in the so-called Environmental Code (Legislative Decree 152/2006) and other special environmental protection regulations (Law No. 150/1992, Law No. 549/1993, Legislative

[31] Introduced by Law No. 137/2023 and amended, most recently, by Decree Law No. 19 of 2 March 2024, converted, with amendments, by Law No. 56 of 29 April 2024.

Decree No. 202/2007).

In addition, **Law No. 68 of 22 May 2015, containing *provisions on crimes against the environment*** (Official Gazette No. 122 of 28 May 2015), came into force on 29 May 2015, introducing Title VI-bis into the Penal Code, dedicated to crimes against the environment. In particular, in addition to the offences already provided for and punishable as misdemeanours by the Environmental Code (Legislative Decree 152/2006), several offences are introduced into the Criminal Code, including the following offences, which are also relevant under the Decree:

- Article 452 bis - Environmental pollution;
- Art. 452 quater - Environmental disaster;
- Art. 452-quinquies - Negligent offences against the environment;
- Article 452 sexies - Trafficking and abandonment of highly radioactive material;
- Art. 452 septies - Obstruction of control;
- Art. 452-octies – Aggravating circumstances;
- Art. 452 terdecies - Failure to remediate.

Legislative Decree No. 21/2018 "Provisions implementing the principle of delegation of the code reserve in criminal matters pursuant to Article 1, paragraph 85, letter q), of Law No. 103 of 23 June 2017" repealed Art. 260 of Legislative Decree No. 152/2006, introducing a provision with similar content into the Criminal Code, Art. 452-quaterdecies (Organised activities for the illegal trafficking of waste).

In implementation of EU Directive 2009/52/EC, Legislative Decree 109/2012 was issued, which, among other things, established the inclusion of Article **25-duodecies** with the following provision: "**Employment of third-country nationals whose stay is irregular** - in relation to the commission of the offence referred to in Article 22, paragraph 12-bis, of Legislative Decree No. 286 of 25 July 1998 - or of an employer who employs foreign workers without a residence permit - the entity shall be subject to a fine of between 100 and 200 units, up to a maximum of €150,000". This article was amended by Law No. 161/2017 reforming the Anti-Mafia Code (Legislative Decree No. 159/2011), which introduced three new paragraphs providing for two new predicate offences related to illegal immigration, referred to in Article 12, paragraphs 3, *3-bis*, *3-ter*, and Article 12, paragraph 5, of the Consolidated Law on Immigration (Legislative Decree 286/1998). In particular:

- paragraph 1-bis provides for the application of a fine of between 400 and 1,000 units to the entity for the offence of **transporting illegal foreigners** within the territory of the State, as referred to in Article 12, paragraphs 3, 3-bis and 3-ter of Legislative Decree 286/1998;
- paragraph 1-ter provides for the application of a financial penalty of between 100 and 200 units in relation to the offence of aiding and abetting **the stay of illegal foreigners in the territory of the State** referred to in Article 12, paragraph 5, of Legislative Decree 286/1998.

Article 5, paragraph 2, of Law No. 167 of 20 November 2017 (European Law 2017) introduced **Article 25 terdecies** into the Decree, which introduces the liability of companies for the offences of racism and xenophobia provided for in Article 3, paragraph 3-bis, of Law No. 654 of 13 October 1975. This provision punishes incitement and instigation, committed in such a way as to give rise to a real danger of dissemination, which are based in whole or in part on the denial, serious minimisation or justification of the Holocaust or crimes of genocide, crimes against humanity and war crimes, as defined in Articles 6, 7 and 8 of the Statute

of the International Criminal Court, ratified pursuant to Law No. 232 of 12 July 1999.

Article 5, paragraph 1, of Law No. 39 of 3 May 2019 No. 39 introduced Article **25 quaterdecies** into the Decree introducing the liability of the Company for offences of fraud in sports competitions, illegal gambling or betting and gambling carried out using prohibited devices referred to in Articles 1 and 4 of Law No. 401 of 13 December 1989.

The following financial penalties are provided for these offences:

a) for crimes, a financial penalty of up to five hundred units;
b) for misdemeanours, a financial penalty of up to two hundred and sixty units.

Furthermore, the second paragraph provides that in cases of conviction for one of the offences referred to in letter a) of this article, the disqualification penalties provided for in Article 9, paragraph 2, shall apply for a period of not less than one year.

Law No. 157 of 19 December 2019, which converted with amendments Decree Law No. 124 of 26 October 2019, containing *'Urgent provisions on tax matters and for essential* needs', introduced **Article 25 quinquiesdecies** into the Decree, entitled '**Tax** offences', which provides for the punishment of entities for the following offences:

- **fraudulent declaration through the use of invoices or other documents for non-existent transactions** *pursuant* to Article 2 of Legislative Decree 74/2000;
- **fraudulent declaration through other artifices** pursuant to Article 3 of Legislative Decree 74/2000;
- **issuing invoices or other documents for non-existent transactions** pursuant to Article 8 of Legislative Decree 74/2000;
- **concealment or destruction of accounting documents** pursuant to Article 10 of Legislative Decree 74/2000;
- **fraudulent evasion of tax payments** pursuant to Article 11 of Legislative Decree 74/2000.

Article 25 quinquiesdecies was then amended by Legislative Decree No. 75 of 14 July 2020, which - transposing EU Directive 2017/1371 on the 'fight against fraud affecting the financial interests of the Union by means of criminal law' (the so-called PIF Directive), introduced the following paragraph 1-bis: *'In relation to the commission of the offences provided for in Legislative Decree No. 74 of 10 March 2000, if committed as part of cross-border fraudulent schemes and for the purpose of evading value added tax for a total amount of not less than ten million euros, the following financial penalties shall apply to the entity:*

a) for the offence of making a false declaration under Article 4, a financial penalty of up to three hundred units;

b) for the offence of failure to declare as provided for in Article 5, a fine of up to four hundred units;

c) for the offence of undue compensation provided for in Article 10-quater, a fine of up to four hundred units.

Finally, on this point, it should be noted that Legislative Decree No. 156 of 4 October 2022, containing "Corrective and supplementary provisions to Legislative Decree No. 75 of 14 July 2020, implementing Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union through

criminal law', made amendments to Article 25 quinquiesdecies, modifying paragraph 1-bis - with reference to the application of financial penalties for the offences referred to in Articles 4 (unfaithful declaration), 5 (failure to declare) and *10-quater* (undue compensation) of Legislative Decree No. 74/2000) – the words "*if committed as part of cross-border fraudulent schemes and for the purpose of evading value added tax for a total amount of not less than ten million euros*" with the following: "*when committed for the purpose of evading value added tax within the framework of cross-border fraudulent schemes connected to the territory of at least one other Member State of the European Union, resulting in or likely to result in total damage equal to or greater than ten million euros* ".

In addition, Legislative Decree No. 75 of 14 July 2020 introduced **Article 25 sexiesdecies** on **smuggling**, providing for the application of a financial penalty of up to 200 units (or 400 units if the border duties due or penalties exceed 100,000 euro) in relation to the commission of smuggling offences provided for in Annex 1 to Legislative Decree No. 141/2024.

Law No. 22 of 9 March 2022, published in the Official Gazette No. 68 of 22 March 2022, supplements the list of offences for which entities are administratively liable with the addition of two new articles:

- **Article 25-septiesdecies**: Crimes against cultural heritage, which provides for:

- Article 518-ter (misappropriation of cultural property), Article 518-decies (illegal importation of cultural property) and Article 518-undecies (illegal removal or exportation of cultural property) the application of an administrative fine of between two hundred and five hundred units;
- Article 518-sexies of the Criminal Code (laundering of cultural heritage), the application of an administrative fine of between five hundred and one thousand units;
- in Article 518-duodecies (destruction, dispersion, deterioration, defacement, soiling and unlawful use of cultural and landscape heritage) and Article 518-quaterdecies of the Criminal Code (counterfeiting of works of art), the application of an administrative fine of between three hundred and seven hundred units;
- in Article 518-bis (theft of cultural heritage), Article 518-quater (receiving stolen cultural heritage) and Article 518-octies (forgery of private documents relating to cultural heritage), the application of an administrative fine ranging from four hundred to nine hundred units.

In the event of conviction for the offences listed above, the new provision provides for the application of disqualification penalties to the entity for a period not exceeding two years;

- **Article 25-duodevicies**: laundering of cultural heritage and devastation and looting of cultural heritage and landscape, which provides for the application of a financial penalty of between five hundred and one thousand units to the entity in relation to the offences of laundering of cultural heritage (Article 518-sexies) and devastation and looting of cultural heritage and landscape (Article 518-terdecies). If the entity, or one of its organisational units, is used on a permanent basis for the sole or main purpose of enabling or facilitating the commission of such offences, the penalty of permanent disqualification from carrying out the activity shall apply.

For the sake of completeness, it should also be noted that Article 23 of the Decree punishes non-compliance

with **disqualification penalties**, which occurs when the entity has been subject to a penalty or a precautionary disqualification measure pursuant to the Decree and, despite this, violates the obligations or prohibitions inherent therein.