

Organisation
Management and
Control Model,
pursuant to
Legislative Decree
no. 231
of 8 June 2001
General Section

Approved by the Board of Directors by resolution of 17
October 2024

GA Operations S.p.A.

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Definitions

Sensitive Activities

Company activities within which there is a risk of committing offences referred to in the Decree or relevant to the management of financial resources

CCNL

National Collective Bargaining Agreement.

Sustainability Code

Sustainability Code adopted by the Company

Code of Ethics

Code of Ethics adopted by the Company

Legislative Decree 231/2001 or Decree

Legislative Decree no. 231 of 08 June 2001

GAO or Company

GA Operations S.p.A.

GA S.p.A.

Giorgio Armani S.p.A.

Group

Armani Group

Confindustria (General Confederation of Italian Industry) Guidelines

Confindustria document (approved on 7 March 2002 and updated to June 2021) for the preparation of the Organisation, Management and Control Models referred to in Legislative Decree 231/2001

Model

the Organisation, Management and Control Model implemented by the Company, pursuant to Legislative Decree no. 231/2001

Supervisory Body or OdV

Body provided for in Article 6 of Legislative Decree 231/2001, entrusted with supervising the functioning of and compliance with the Model and its updating

PA

Public Administration, by which the following is meant, jointly:

- ministries;
- supervisory authorities or guarantors;
- Public bodies: bodies created by an act of the State to meet the organisational or functional needs of the State itself, such as the Municipalities and Provinces, Chambers of Commerce,

INPS (National Institute of Social Security), ASL (local health authority), ARPA (Regional Environmental Protection Agency), Revenue Agency, Customs Agency, Guardia di Finanza (customs police);

- Public Officials: persons exercising a legislative, judicial or administrative public purpose and who can form or manifest the will of the PA through the exercise of authoritative or certifying powers, e.g. members of state and regional administrations, supranational administrations (e.g. of the European Union), of law enforcement authorities and the Guardia di Finanza, Chambers of Commerce, Building Commissions, judges, judicial officers, auxiliary bodies of the administration of justice (e.g. insolvency practitioners), directors and employees of public bodies, private persons vested with powers enabling them to form or manifest the will of the public administration;

- persons entrusted with a public service: persons who, for whatever reason, perform a public service, to be understood as an activity governed in the same manner as a public function, but characterised by the absence of the powers typical of the latter, with the exclusion of the discharge of simple public order duties and the performance of merely material work. Even a private individual or an employee of a private company may be qualified as entrusted with a public service when he or she performs activities aimed at the pursuit of a public purpose and the protection of a public interest.

Procedures

Procedures, *policies*, organisational provisions, service orders and all other provisions, measures and acts of the Company.

Structure of this Document

This document is composed of a General Section and a Special Section, consisting of Protocols governing Sensitive Activities.

The following topics are covered in the General Section:

- The regulations referred to in Legislative decree 231/2001;
- The Company's system of *governance* ;
- the method for preparation of the Model;
- parties to whom the Model applies;
- membership and functions of the Supervisory Body;
- the whistleblowing system for reporting offences and violations of the Model;
- the sanctioning system relating to violations of the Model;
- dissemination of the Model and training of staff.

The Protocols in the Special Section contain the regulation governing the Sensitive Activities and report the control measures, signed or otherwise appropriate for reducing the risk of the commission of the offences provided for in the Decree. These control measures are implemented in the Procedures.

The following also constitute an integral part of the Model:

- the document “*Control & Risk Self-Assessment* Legislative Decree 231/2001”, formalising the findings of the *control and risk self-assessment* activities, for identifying Sensitive Activities;
- the Code of Ethics, which defines the general principles and code of conduct of the Company;
- The Procedures.

These records and documents are available in the manner prescribed for their dissemination to Company staff.

General

1. Legislative Decree no. 231 of 8 June 2001

1.1. Corporate criminal liability

The Legislative Decree of 8 June 2001 introduces and governs the administrative liability of collective entities arising from offences. This form of liability combines aspects of the criminal and administrative sanctioning systems. In fact, the entity is punished with a sanction of an administrative nature, as it responds to an unlawful administrative act, but the sanction system is based on the criminal proceedings: the competent authority to contest the offence is the Public Prosecutor and it is the criminal court that imposes the sanction. Corporate criminal liability is therefore formally administrative in nature, but is essentially a criminal liability.

Moreover, it is distinct and independent from that of the natural person committing the offence, so that it exists even when the perpetrator has not been identified, or when the offence is extinguished for reasons other than amnesty. In any case, the liability of the entity is in addition to, and does not replace, that of the natural person who is the perpetrator of the offence.

The scope of application of the Decree is very broad and covers all entities with legal personality (of course, including companies), associations, including those without legal personality, and public financial bodies. The legislation in question does not, however, apply to the State, regional public bodies, non-financial public bodies and bodies that perform functions of constitutional importance (such as, for example, political parties and trade unions).

1.2. Categories of predicate offence

The entity may only be held to account for offences – predicate offences – treated as a source of liability by the Decree or, in any case, by a law that came into force before the act constituting an offence was committed.

As at the date of approval of this document, the predicate offences belong to the categories indicated below:

- Crimes against the Public Administration (Articles 24 and 25);
- computer crimes and unlawful processing of data (Article 24-*bis*);
- organised crimes (Article 24-*ter*);
- counterfeiting of money, instruments of public credit and official stamps, of trademarks and other distinctive signs (Article 25-*bis*);
- crimes against industry and trade (Article 25-*bis*.1);
- corporate crimes (Article 25b);

- crimes of terrorism or subversion of the democratic order (Article 25-*quater*);
- female genital mutilation (Article 25c 1);
- crimes against the individual (Article 25-*quinquies*);
- market abuse (Article 25-*sexies*);
- manslaughter and serious or grievous bodily harm committed through breach of occupational health and safety regulations (Article 25-*septies*);
- receipt of stolen goods, money laundering and investment of the proceeds of crime, as well as self-laundering (Article 25-*octies*);
- offences relating to non-cash payment instruments and fraudulent transfer of valuables and assets (Article 25-*octies*.1);
- breach of copyright (Article 25-*novies*);
- incitement to not testify or to bear false testimony to the judicial authority (Article 25-*decies*);
- environmental crimes (Article 25-*undecies*);
- employing of illegally staying third-country nationals (Article 25-*duodecies*);
- racism and xenophobia (Article 25-*terdecies*);
- fraud in sporting competitions, unlawful gaming or betting and gambling using prohibited devices (Article 25-*quaterdecies*);
- tax crimes (Article 25-*quinquiesdecies*);
- smuggling (Article 25-*sexiesdecies*).
- crimes against the cultural heritage (Article 25-*septiesdecies*);
- self-laundering of cultural assets and devastation and looting of cultural and landscape assets (Article 25-*duodevicies*);
- cross-border crimes (Article 10 of Law no. 146 of 16 March 2006);
- offences relating to entities operating in the virgin olive oil supply chain (Article 12, Law no. 9 of 14 January 2013)¹.

¹The amendments to the types of offence provided for in the Decree were made by the following legislative acts: Decree-Law no. 350 of 25 September 2001, introducing Article 25-*bis* "Counterfeiting of money, instruments of public credit and official stamps", later amended and renamed "Crimes of counterfeiting of money, instruments of public credit, official stamps, trademarks and other distinctive signs" by Law no. 99 of 23 July 2009; Legislative Decree no. 61 of 11 April 2002, introducing Article 25-*ter* "Corporate Crimes", later amended by Law no. 262 of 28 December 2005, by Law no. 190 of 6 November 2012, by Law no. 69

The entity may also be held accountable before the Italian courts for predicate offences committed abroad under the following conditions:

- the general conditions for prosecution provided for in Articles 7, 8, 9 and 10 of the Criminal Code exist in order to be able to prosecute in Italy an offence committed abroad;
- the entity must have its main headquarters in Italy;
- or the State of the place where the offence was committed does not prosecute the entity.

of 30 May 2015, by Legislative Decree no. 38 of 15 March 2017, by Law no. 3 of 9 January 2019, and by Legislative Decree no. 19 of 2 March 2023; Law no. 7 of 14 January 2003, introducing Article 25-*quater* "Crimes for the purpose of terrorism or subversion of the democratic order"; Law no. 228 of 11 August 2003, introducing Article 25-*quinqies* "Crimes against the individual", later amended by Law no. 199 of 29 October 2016; Law no. 62 of 18 April 2005, introducing Article 25-*sexies* "Market abuse"; Law no. 7 of 9 January 2006, introducing Article 25-*quater*.1 "Practices of female genital mutilation"; Law no. 146 of 16 March 2006, providing for the liability of entities for cross-border crimes; Law no. 123 of 3 August 2007, introducing Article 25-*septies* "Crimes of manslaughter or serious injury committed in breach of the accident prevention and health and safety at work regulations", later amended and renamed "Crimes of manslaughter and culpable serious or very serious injuries, committed in breach of the regulations on health and safety in the workplace" by Legislative Decree no. 81 of 9 April 2008; Legislative Decree no. 231 of 21 November 2007, introducing Article 25-*octies* "Receiving, laundering and use of money, goods or assets of unlawful origin", later amended and renamed "Receiving, laundering and use of money, goods or assets of unlawful origin, as well as self-laundering" by Law No. 186 of 15 December 2014; Law No. 48 of 18 March 2008, introducing Article 24-*bis* "Computer crimes and unlawful processing of data", later amended by Decree-Law no. 105 of 21 September 2019, converted by Law no. 133 of 14 November 2019; Law no. 94 of 15 July 2009, introducing Article 24-*ter* "Organised crime offences"; Law 99/2009 – already mentioned – which also introduced Article 25-*bis*.1 "Crimes against industry and trade", and Article 25-*novies* "Copyright crimes"; Law no. 116 of 3 August 2009, introducing Article 25-*novies*, later renumbered as Article 25-*decies* by Legislative Decree no. 121 of 7 July 2011, incitement to not testify or to bear false testimony to the judicial authority"; Legislative Decree 121/2001 – already mentioned – which also introduced Article 25-*undecies* "Environmental Crimes", later amended by Law no. 68 of 22 May 2015; Legislative Decree no 109 of 16 July 2012, introducing Article 25-*duodecies* "Employing illegally staying third-country nationals", later amended by Law no. 161 of 17 October 2017; Law 190/2012 – already mentioned – which also amended Article 25; Law no 9 of 14 January 2013, which provides for the liability of entities for offences related to the virgin olive oil supply chain; Law no.167 of 20 November 2017, introducing Article 25-*terdecies* "Racism and xenophobia"; Law 3/2019 – already mentioned – which also amended Article 25; Law no. 39 of 3 May 2019, introducing Article 25-*quaterdecies* "Fraud in sporting competitions, abusive gaming or betting and gambling by means of prohibited devices"; Decree-Law no. 124 of 26 October 2019, converted to Law no 157 of 19 December 2019, introducing Article 25-*quinqiesdecies* "Tax offences", later amended by Legislative Decree no. 75 of 14 July 2020, and by Legislative Decree no. 156 of 4 October 2022; Legislative Decree 75/2020 – already mentioned – which also amended Articles 24 and 25 and introduced Article 25-*sexiesdecies* "Smuggling"; Legislative Decree no 184 of 8 November 2021, introducing Article 25-*octies*.1 "Crimes concerning payment instruments other than cash", subsequently amended and renamed "Crimes concerning payment instruments other than cash and fraudulent transfer of valuables and assets" by Decree-Law no. 105 of 10 August 2023, converted by Law no. 137 of 9 October 2023; Law no 22 of 9 March 2022, introducing Article 25-*septiesdecies* "Crimes against the cultural heritage" and Article 25-*duodevicies* "Laundering of cultural assets and devastation and looting of cultural and landscape heritage"; D.L. 105/2023, converted by Law 137/2023 – already mentioned – amending Article 24; Law no. 90 of 28 June 2024, amending Article 24-*bis*; Law no. 112 of 10 August 2024, amending Article 25.

1.3. Criteria for the body being charged with liability; exemption from liability

In addition to the commission of one of the predicate offences, in order for the entity to be punishable pursuant to Legislative Decree 231/2001, other regulatory requirements must be incorporated. These further criteria for the liability of entities may be divided into “objective” and “subjective”.

The first objective criterion is supplemented by the fact that the offence was committed by a person linked to the entity by a qualified relationship. In this regard, a distinction is made between:

- “persons in senior management positions”, i.e. who hold positions of representation, administration or management of the entity, for example directors, general managers or directors of an organisational unit granted autonomy, and in general persons who manage, even de facto, the entity itself or one of its organisational units granted autonomy;
- “subordinates”: these are individuals who are working under the management or supervision of senior management. Employees and persons who, although not on the staff, have a job to perform under the direction and control of senior managers fall under this category.

The identification of the aforementioned persons is irrespective of the contractual framework of the relationship they have with the entity. In fact, they must also include persons who are not staff of the entity, if they act in the name of, on behalf of or in the interest of the entity.

A further objective criterion is the fact that the offence must be committed in the interest or to the advantage of the entity; it is sufficient that at least one of two alternative conditions is met (in this case, see Cass. Pen., Sez. III, 20 December 2005, no. 3615).

- Interest exists when the perpetrator acted with the intention of favouring the entity, regardless of whether that objective was then actually achieved;
- advantage exists when the entity has derived – or could have derived – a positive outcome, financial or otherwise.

As regards the subjective criteria for apportioning liability to the entity, these relate to the preventive instruments with which the entity has equipped itself in order to prevent the commission of one of the predicate offences in the exercise of its business.

In fact, in the event of the commission of an offence by a person in a senior management position, the Decree provides for exemption from liability for the entity if it proves that:

- the governing body has adopted and effectively implemented, prior to the crime being committed, organisation, management and control models aiming to prevent crimes of the nature of the one reported;

- the task of monitoring the operation and compliance of the models, and the management of their updating was assigned to a body with autonomous powers of initiative and control;
- the person in a senior management position committed the offence by fraudulently circumventing the models;
- the aforementioned body is not found to have skipped its supervisory tasks, or to have carried them out negligently.

In the event that offences are committed by subordinates, the entity may instead be held accountable only if it is established that the commission of the offence was made possible by a failure to comply with management or supervisory obligations, which is in any case excluded if, prior to the commission of the offence, the entity adopted organisational, management and control models capable of preventing offences of the kind committed.

The entity participates in criminal proceedings with its legal representative, unless these are charged with the offence on which the administrative offence depends. With reference to this aspect, in the event that the legal representative is under investigation for a predicate offence of the administrative offence charged against the entity, and is therefore in a situation of conflict with the interests of the entity itself, the appointment of the entity's defence must be through a person specifically delegated to this activity for cases of possible conflict with criminal investigations against the legal representative (in this regard, see V. Cass. Pen., Sez. III, 13 May 2022, no. 35387).

1.4. The Decree's guidance regarding the characteristics of the organisational, management and control model

The Decree merely regulates certain general principles relating to the organisation, management and control model, providing for the following minimum content:

- identification of the activities in which offences may be committed;
- preparation of specific protocols for the purpose of planning and implementing decision-making in relation to the offences to be prevented;
- identification of methods for managing financial resources that are suitable for preventing offences from being committed;
- a suitable disciplinary system to effectively sanction non-compliance with the measures set out in the policy;
- identification of information flows to the Supervisory Body
- in relation to the nature and size of the organisation and the type of activity carried out, provision of appropriate measures to ensure that the activity is carried out in compliance with the law and to promptly detect and eliminate risk situations.

The Decree states that the model is subject to periodic verification and updating, both in the event of significant violations of the provisions and in the event of significant changes in the organisation or activity of the entity.

1.5. Sanctions

The sanctioning system described by Legislative Decree 231/2001 is divided into four types of sanctions, to which the entity may be subject in the event of conviction under the Decree:

- financial penalty: this is always applied if the judge holds the entity liable and is calculated by means of a system based on quotas, the number and amount of which are determined by the judge. The number of quotas, to be applied between a minimum and a maximum that varies according to the case, depends on the seriousness of the offence, the entity's degree of liability, the activity carried out to eliminate or mitigate the consequences of the offence or to prevent the commission of other offences. The amount of the individual quota is instead established, between a minimum of €258.00 and a maximum of € 1,549.00, based on the entity's financial standing and assets.
- restrictive sanctions: in addition to the financial penalties, these apply only if expressly provided for in respect of the offence for which the entity is convicted and only where at least one of the following conditions is met:
 - the entity has derived a significant profit from the offence and the offence was committed by a senior person, or by a subordinate if the commission of the offence was made possible by serious organisational shortcomings;
 - in the event of repetition of the offences.

The restrictive sanctions set forth in the Decree are:

- banning from exercising business activities;
- suspension or withdrawal of authorisations, licences or permits relating to the offence committed;
- Debarment from public procurement processes, except to obtain the performance of a public service;
- exclusion from subsidies, funding, contributions or other supports and withdrawal of any already granted;
- banning from advertising goods or services;

Exceptionally applicable with definitive effects, restrictive sanctions are temporary, with a duration ranging from three months to two years (up to seven years in the case of bribery offences) and relate to the specific activity of the entity to which the offence refers. These

can also be applied as a precautionary measure, at the request of the Public Prosecutor, if there is serious evidence of the entity's liability and well-founded and specific elements that suggest a concrete danger of further commission of offences of the same nature as the one for which proceedings brought;

- confiscation: with conviction, confiscation of the price or profit of the offence or of goods or other assets of equivalent value is always ordered:
- publication of the conviction: this may be ordered when the entity is sentenced to a restrictive sanction and consists in the publication at the expense of the entity convicted, in full or as extracts, in one or more newspapers indicated by the judge in the conviction, as well as by posting in the municipality where the entity has its main headquarters.

Administrative sanctions against the entity shall expire within five years from the date of commission of the offence underlying the administrative offence.

The final conviction of the entity is entered in the national register of administrative offence sanctions.

The Decree also regulates the entity's liability regime in the event of conversion, merger, demerger and sale of a company.

In the event of the conversion of the entity, its liability for offences committed before the date on which the conversion took effect remains unaffected. The new entity will therefore be subject to the sanctions applicable to the original entity, for acts committed prior to the conversion.

In the event of a merger, the entity resulting from the merger, including by incorporation, is liable for the offences for which the entities that took part in the merger were liable.

In the event of a demerger, the liability of the demerged entity for offences committed prior to the date on which the demerger took effect remains unaffected and the entities that are beneficiaries of the demerger are jointly liable to pay the financial penalties imposed on the demerged entity within the limits of the value of the net assets transferred to each individual entity, unless it is an entity to which the branch of business within which the offence was committed was also partially transferred; restrictive penalties are applied to the entity (or entities) into which the branch of business within which the offence was committed has remained or merged.

In the event of the transfer or assignment of the business in the context of which the offence was committed, without prejudice to the benefit of prior exoneration of the assignor, the assignee is jointly obliged with the assignor to pay the financial penalty, within the limits of the value of the transferred business and within the limits of the financial penalties resulting from the compulsory or due accounting books for offences of which the assignee was in any case aware.

2. GA Operations S.p.A.: the company and its *corporate governance* and internal control system

2.1. The Company

GA Operations S.p.A. is the industrial and production company of the Armani Group which, using its own production sites and external manufacturers and packagers, designs and produces the fashion collections of clothing and accessories for the Group's brands.

In addition to the administrative headquarters in Milan, GAO has some new production sites in Italy (Modena, Vertemate, Trissino, Carrè, Fossò, Trento, Settimo Torinese, Matelica, and Inzago).

The Company acts as the sole producer of Armani-branded goods worldwide and has as its sole client the parent company, GA S.p.A.

2.2. The *corporate governance* system

The Company's *corporate governance* system is currently structured as follows:

- Board of Directors: This has sole responsibility for the management of the company and may therefore perform all acts it deems appropriate for the implementation and accomplishment of company objectives, with the sole exception of those acts that in accordance with the law and the Articles of Association are the sole responsibility of the shareholders' meeting;
- Board of Statutory Auditors: the management of the company is supervised by a collective body consisting of three full members and two alternate members.
- Auditing company: accounting control is outsourced to an auditing company listed in the register kept at the Ministry of Economy and Finance.

The Model and the Procedures aimed not only at preventing the offences under the Decree, but also making the control system as efficient as possible are included in the *corporate governance* system.

The essential foundation of the Model is the Code of Ethics adopted by the Company, which formalises the ethical principles and values that inspire it in the conduct of its business.

The Code of Ethics is an integral and essential part of the Model and recognises the legal relevance and mandatory effectiveness of ethical principles and standards of conduct described therein, also with a view to preventing corporate offences, and sets as its foundation compliance with the legislation in force.

2.3. Internal control system

Particularly with regard to Sensitive Activities and consistently with the provisions of the Confindustria Guidelines, GAO's internal control system is based on the following principles:

- clear identification of roles, duties and responsibilities of parties involved in the performance of corporate business (internal or external to the organisation);

- segregation of duties among who operationally performs an activity, who checks it, who authorises it and who records it (where applicable);
- verifiability and documentability of operations *ex post*: the relevant activities carried out (especially in the context of Sensitive Activities) are appropriately formalised, with particular reference to the documentation prepared during their execution. The documentation produced and/or available as hard copies or electronically is filed by the Departments/parties involved;
- Identification of manual and automatic preventive controls and verifications *ex post*; manual and/or automatic safeguards are in place to prevent the commission of offences or to detect *ex post* irregularities that might conflict with the aims of the Model. These controls are more frequent, sophisticated and well-structured within the scope of Sensitive Activities characterised by a higher risk profile for the commission of offences.

The components of the control system must meet the following principles:

- system of ethical principles for the prevention of offences under the Decree;
- a sufficiently formalised and clear organisational system;
- powers of authorisation and/or signature consistent with the organisational and managerial responsibilities defined.
- system of management control able to promptly report the occurrence of critical situations;
- communication and training system for staff concerning the elements of the Model;
- an appropriate disciplinary system to sanction any breaches of the Model's rules;
- operational, manual or computerised procedures for regulating the activities in the areas of the company that are at risk with the appropriate control measures;
- information system for carrying out operational or control activities in the context of Sensitive Activities, or in support thereof.

With reference to the system of ethical principles, the communication and training system and the disciplinary system, see the Code of Ethics, as well as the provisions of sections 7 and 8 of this General Section.

The Company's organisational system is defined through the preparation of an organisational chart and a *job description* system, which governs the duties and responsibilities of the main roles in the organisation.

The authorisation and decision-making system consists of a structured and coherent system of proxies and powers that are adequately formalised, based on the following principles:

- the delegations combine each management power with the relevant responsibility and an appropriate position in the organisational chart, and are updated as a result of organisational changes;
- each delegation specifically and unambiguously defines and describes the delegate's management powers and the person to whom the delegate reports hierarchically/departmentally.
- the management powers assigned with the delegations and their implementation are consistent with the corporate objectives;
- the delegate must have spending powers appropriate to the duties conferred upon him or her;
- powers of attorney are assigned exclusively to persons with an internal functional delegation or a specific assignment and provide for the extension of powers of representation and, where applicable, expenditure limits.

The management control system adopted by GAO is structured around the various stages of drawing up of the

annual *budget* , for the periodic analysis of balances and preparation of forecasts.

The system ensures:

- That numerous parties are involved, in terms of consistent segregation of duties for preparing and sharing information;
- ability to promptly report the occurrence of critical situations through an appropriate and timely system for information flow and reporting.

Furthermore, Article 6, section 2 (c) of the Decree explicitly states that the Model must *“identify methods for managing financial resources that are suitable for preventing crimes from being committed”*.

To this end, the management of financial resources is defined on the basis of principles based on a reasonable segregation of duties, such as to ensure that all disbursements are requested, carried out and controlled by independent departments or persons as distinct as possible, and who are not assigned other responsibilities that could lead to potential conflicts of interest.

Article 6, section 2 (b) of the Decree explicitly states that the Model must *“prepare specific protocols for planning the implementation of training and decision-making in relation to the offences to be prevented”*.

To this end, the Company has Procedures that allow the Sensitive Activities to be governed and guarantee the implementation of control measures provided for by the Model. The Procedures guarantee in particular that the following principles are implemented:

- clear formalisation of roles, responsibilities, methods and time frames for performing regulated operational and control activities;
- the representation and regulation of the separation of duties between the person who makes the decision (decision-making impetus), the person who authorises its implementation, the person who performs the activities and the person entrusted with control;

- traceability and formalisation of each relevant activity of the process subject to the procedure for the purpose of retrospect traceability of what has been performed and evidence of the control principles and activities implemented;
- adequate filing of the relevant documentation.

In order to safeguard the company's documentary and information assets, adequate security measures are then provided for to safeguard against the risk of loss and/or alteration of the documentation relating to Sensitive Activities or unwanted access to data/documents.

In order to safeguard the integrity of data and the effectiveness of the information systems and/or computer applications used to carry out operational or control activities in the context of Sensitive Activities, or in support of thereof, the presence and operation of:

- user profiling systems in relation to access to modules or environments;
- rules for the proper use of company computer systems and aids (*hardware* and *software*);
- automated control mechanisms for system access;
- automated mechanisms for blocking or inhibiting access;
- automated mechanisms for managing authorisation *workflows* .

3. Method of preparation of the Model; amendments and updates to the Model

For the purposes of preparing this document, consistent with the provisions of the Decree, the Confindustria Guidelines and the indications inferable from case law, the Company has carried out a *prior control and risk self-assessment*.

The *control and risk self-assessment* activities were conducted and co-ordinated by the Company with the support of a Project Team composed of consultants and saw the direct involvement of corporate *Management* .

In particular, the activities were organised in the following stages:

- acquisition and analysis of documentation relevant to corporate *governance* and the company's internal control system (e.g. organisational charts, codes of conduct, structure of proxies and powers of attorney, internal procedures, reports and minutes);
- preliminary identification of the Sensitive Activities falling within the remit of the various organisational structures concerned, with particular reference to those most affected by Legislative Decree 231/2001, also considering the identification of potential new offence risks;

- Identification of *key officers* to be involved in interviews;
- conduct of interviews for the purposes of:
 - the identification/confirmation of the Sensitive Activities, the operating methods for conducting these, and the persons involved;
 - the identification of the potential (inherent) risks of the commission of the predicate offences ascribable to the individual Sensitive Activities;
 - analysis and evaluation of the control systems/measures in place to mitigate the above-mentioned risks and identification of possible areas for improvement;
- sharing with *Management* of the evidence that emerged and formalising it in a *summary report* on ("*Control & risk self-assessment* Legislative Decree 231/2001") that forms an integral part of this document.

This activity has led to the identification of adequate measures to be implemented in the control system to make it suitable for reducing the risk of offences being committed, as well as the effective implementation of these measures in the control system by the individual *key officers* involved from time to time.

The Company adopted this version of its Organisation, Management and Control Model by resolution of the Board of Directors on 17 October 2024.

The Model must always be promptly amended exclusively by resolution of the Board of Directors, in the event that:

- significant changes have occurred in the relevant legislation (e.g.: incorporation of new offences into the Decree), as well as in the organisation or business of the Company;
- variations and circumventions of the provisions laid down therein, which have demonstrated its ineffectiveness in preventing crime;

Changes to the Procedures are made by the Heads of the Departments concerned.

4. Recipients of the Model and the regulation of relations with third parties

The Model applies to:

- Directors, including de facto directors of the Company and members of other Corporate Bodies;
- the Company's staff, which is to be understood as including, in addition to employees, also persons who, although not linked to the Company as an employee, carry out their business in the interest of, on behalf of and under the direction of the Company, such as seconded workers, atypical collaborators and interns, 'parasubordinate' workers, etc;

- those who, in any case, operate by mandate and/or on behalf of the Company (e.g. by virtue of a contract or specific power of attorney); such persons are bound to comply with the Model by means of specific contractual clauses.

Furthermore, every contract entered into by the Company with suppliers and consultants must include a commitment by the supplier or, if the supplier is a legal person, a guarantee that its directors and employees shall commit:

- to comply with applicable legislation and not commit offences;
- to comply with the principles of the Code of Ethics, the Model and, where applicable, the Sustainability Code (which the supplier will be made aware of in the manner deemed most appropriate by the Company, e.g. by publication on its website);
- to comply with any requests for information by the Supervisory Body of the Company.

as well as the Company's right to implement forms of protection (e.g. termination of the contract, enforcement of penalties, etc.), where a breach of these commitments and guarantees is detected.

The Special Section provides for further commitments by suppliers that must be provided for in the contracts entered into with them.

5. The Supervisory Body

5.1. Function

In accordance with the decree, the Company entrusts its own Supervisory Body with the tasks of ongoing monitoring of:

- compliance with the Model by the persons to whom the Model applies, as identified in the previous section, and the implementation of the Model's provisions in the performance of the Company's activities;
- the effectiveness of the Model in preventing the commission of the offences referred to in the Decree;
- the updating of the Model.

5.2. Requirements and membership of the Supervisory Body

Law and *best practices* in relation to Legislative Decree 231/2001 have identified the following requirements of the Supervisory Body as essential:

- autonomy and independence: the concepts of autonomy and independence do not have a valid definition in an absolute sense but must be declined and framed in the operational context in which they are to be applied. Since the Supervisory Board is tasked with verifying compliance, in the company's operations, with the control measures implemented, its position within the entity must guarantee its autonomy from any form of interference and

conditioning by any member of the entity and in particular by senior management, especially considering that the function exercised is also expressed in the supervision with regard to the activities of persons in senior management positions. Therefore, the Supervisory Body is accountable only to the governing body in the performance of its functions.

Furthermore, in order to further guarantee the autonomy of the Supervisory Body, the governing body makes company resources available to it, of a number and competence commensurate with the tasks entrusted to it, and approves in the context of forming the company's *budget* adequate allocation of financial resources, proposed by the Supervisory Body, which the latter may avail of for any necessary requirement for the correct performance of its tasks (e.g. specialist consultation, travel, etc.) If the budget allocated to it is not sufficient for the performance of its tasks, the OdV may request a supplement. Furthermore, in the event of need or emergency, the OdV may, without prior authorisation freely use amounts over the *budget* that it deems necessary, notwithstanding the subsequent requirement to report it to the Board of Directors.

The autonomy and independence of the individual member of the Supervisory Body must be determined on the basis of the function performed and the tasks assigned to him or her, identifying whom and what he/she must be autonomous and independent from, in order to be able to perform such tasks. As a result, each member must not hold decision-making, operational and management positions that compromise the autonomy and independence of the entire OdV. In any case, the requirements of autonomy and independence imply that the members are not in a position of personal conflict of interest, even potentially, with the Company.

In addition, the members of the Supervisory Body must not:

- hold operational positions in the Company;
 - be the spouse, relative or relative by marriage within the second degree of kinship of a member of the governing body;
 - hold shares in the Company's capital, whether directly or indirectly;
 - be in any other situation of actual or potential conflict of interest;
- Professionalism: the Supervisory Body must possess within it adequate technical and professional expertise for the duties that it is to perform. Therefore, it is necessary that the OdV includes persons with appropriate professional financial and legal skills, and skills in the analysis, control and management of corporate risks. In particular, the Supervisory Body must have the necessary specialist technical abilities to carry out control and advisory activities.

In order to ensure the professional skills useful or necessary for the activity of the Supervisory Body and to guarantee the professionalism of the Body (as well as, as already indicated, its autonomy), the Supervisory Body is assigned a specific *budget* for expenditure available, intended for the possibility of acquiring skills outside the entity, when necessary,

to complement its own. The Supervisory Body may thus, also by using external professionals, equip itself with relevant resources, e.g. legal, for company organisation, accounting, internal controls, finance and safety in the workplace, etc.;

- continuity of action: the Supervisory Board carries out its activities on an ongoing basis.

Continuity of action must not be understood as 'incessant operation', since such an interpretation would necessarily impose a Supervisory Body exclusively within the entity, when in fact this would lead to a reduction of the essential autonomy that must characterise the OdV itself. Continuity of action implies that the activity of the Supervisory Body should not be limited to periodic meetings between its members, but should be organised on the basis of a plan of activities and the constant conduct of monitoring and analysis actions of the entity's system of preventative controls.

In compliance with the aforementioned principles, and taking into account GAO's structure and operation, the Company's Supervisory Body is made up collectively of three members, at least two of whom are not members of the Company's staff and chosen from among professionals with proven experience in regard to Legislative Decree 231/2001. The chair of the OdV is appointed from among the members who are not Company staff.

5.3. Eligibility requirements for members of the Supervisory Body

The role of member of the Supervisory Body may not be entrusted to an individual who is:

- Investigated, charged or sentenced, even with a conviction that is not yet final or with a suspended sentence, without prejudice to the effects of rehabilitation:
 - For one or more offences among those provided for by Legislative Decree 231/2001;
 - for any crime committed without criminal intent;
- disqualified, incapacitated, bankrupt or convicted, even with a sentence that is not yet final, to a penalty involving disqualification, even temporarily, from public office or inability to hold executive office;
- subject or has been subject to preventive measures arranged under Legislative Decree no. 159 of 06 September 2011 (*"Anti-Mafia Code and prevention measures, as well as new provisions on anti-mafia documentation, pursuant to Articles 1 and 2 of Law no. 136 of 13 August 2010"*);
- subject to ancillary administrative sanctions referred to in Article 187-*quater* of Legislative Decree no. 58 of 24 February 1998.

5.4. Appointment, revocation, replacement, disqualification and withdrawal

The Board of Directors appoints the Supervisory Body, giving reasons for the choice of each member, after verifying the existence of the requirements set out in

The preceding sections basing the decision not only on the CV, but also on official and specific declarations collected from candidates.

After the formal acceptance of the nominees, the appointment is notified to all levels of the company, via internal communication.

The OdV remains in office for no longer than three years, a duration set by the Board of Directors in the resolution for the appointment. At the end of its term of office, the OdV may be reappointed, with the same members, for one further term of office.

The withdrawal from the position as member of the OdV may occur only by resolution by the Board of Directors and only for good reason. "Good reason" means one of the following reasons:

- gross negligence in the fulfilment of the obligations involved in the entrusted position;
- the absence of good faith and diligence in fulfilling the position;
- lack of cooperation with the other members of the OdV;
- unjustified absence from more than two OdV meetings.
- a conviction of the Company pursuant to the Decree, even if not final, where records show that the Supervisory Body has failed to supervise or done so insufficiently, in accordance with the provisions of Article 6, section 1 (d) of the Decree;
- breach of the confidentiality obligations referred to in section 6 below:
- in the case of persons who are part of the Company staff, resignation or dismissal.

It is the obligation of each member of the OdV to report the loss of the requirements referred to in the sections above to the Board of Directors via the Chair of the OdV.

The Board of Directors revokes the appointment of a member of the Supervisory Body who is no longer suitable and, after adequate justification, shall immediately replace him or her.

Incapacity or inability to hold the office itself before the end of the term established, as well as the loss of the requirements set out in section 5.3 constitutes cause for disqualification from office.

Each member of the Supervisory Body may withdraw from the post at any time, in accordance with the procedures to be laid down in the regulations of the Body itself.

In the event of disqualification or withdrawal of one of the members of the Supervisory Body, the Board of Directors shall promptly replace the member who has become unsuitable

5.5. Activities and powers

The Supervisory Body adopts a Regulation governing its operation, the content of which it approves and submits to the Board of Directors. Through its own regulations, the Supervisory Body may delegate

specific duties to the Chair. Furthermore, the Supervisory Body sets its own annual *budget* and submits it for approval by the Board of Directors.

The OdV meets at least four times a year when convened by the Chair and whenever one of its members requests the Chair convene it, justifying the appropriateness of convening it. Every meeting of the OdV is minuted.

In order to accomplish assigned tasks, the Supervisory Body is vested with all powers of initiative and control over all company activities and staff levels and reports exclusively to the Board of Directors, to which it reports through its Chair.

The duties and powers of the Supervisory Body and its members cannot be syndicated by any other corporate body or structure, it being understood that the Board of Directors may verify the consistency between the activity actually performed by the Body and the office assigned to it. Furthermore, subject to prevailing legal provisions, the OdV has free access – without the need for any prior consent – to all the Departments and Bodies of the Company, in order to obtain any information or data deemed necessary for the performance of its tasks.

The Supervisory Board performs its duties in coordination with the other controlling Bodies or Departments existing in the Company. The OdV also coordinates with the corporate departments involved from time to time for all aspects relating to the implementation of the Procedures. The OdV may also avail itself of the help and support of employees and external consultants, in particular for issues requiring the support of specialist skills.

The Surveillance Body organises its activities on the basis of an annual action plan, through which the initiatives to be undertaken to assess the effectiveness and efficacy of the Model as well as its updating are planned. Such plans are submitted to the Board of Directors.

In supervising the effective implementation of the Model, the Supervisory Body has powers and duties which it exercises in compliance with the law and the individual rights of workers and stakeholders, as follows:

- carrying out, also through other parties (e.g. its own consultants), inspection activities;
- access to all documentation or, in any case, information concerning the Company's activities, which it may request from all Company staff, as well as from the Board of Directors, the Board of Statutory Auditors and suppliers of raw materials, the processing, goods and services of the same;
- report to the Board of Directors serious and urgent events, as well as any events that make it necessary to amend or update the Model;
- propose to the person holding the disciplinary power the adoption of sanctions linked to the violation of the Model, as set out in section 7;

- coordinate with the Human Resources department, to define training programmes in relation to Legislative Decree 231/2001 and the Model, as set out in section 8;
- prepare an annual written report for the Board of Directors, with the following minimum content:
 - Summary of activities, checks performed by the OdV in the period, and the outcomes thereof;
 - Any discrepancies between the Procedures and the Model;
 - disciplinary procedures implemented on the proposal of the OdV and any sanctions applied;
 - general evaluation of the Model and its effective functioning, with possible proposals for additions and improvements;
 - any amendments to the relevant regulatory framework;
 - reporting of any expenses incurred;
- report to the Board of Statutory Auditors, at least annually, on the application of the Model, its functioning, updating and any relevant facts or events identified. In particular, the OdV:
 - reports to the Board of Statutory Auditors any shortcomings found in the organisational structure and in the effectiveness and functioning of the Procedures;
 - reports on violations of the Model and on events that may constitute offences.

The Board of Directors and the Board of Statutory Auditors have the powers to convene the OdV at any time. Similarly, the OdV has the right to request, through the competent Departments or persons, the convening of the Board of Directors and the Board of Statutory Auditors for urgent reasons. Meetings with the bodies to which the Supervisory Board reports must be minuted, and copies of the minutes must be kept by the OdV and the bodies involved from time to time.

The OdV in office receives documentation submitted by the previous OdV concerning the activities carried out by them during their respective terms of office. This documentation, together with that produced by the OdV in office, is managed and stored by the OdV itself in a special file, as a hard copy or computerised, for the entire duration of its term of office. Access to this file is granted to the Board of Directors, the Board of Statutory Auditors, the members of the OdVs that have succeeded one another over time, as well as the persons authorised from time to time by the OdV in office, upon request.

5.6. Flows of information to 231SB

The OdV must obtain in a timely manner, the following information, given here by way of example:

- Critical issues, faults or atypical issues found by Company Departments in implementing the Model:

- measures taken by and/or information from investigative police bodies or any other authority, from which it can be deduced that investigations are underway, even into persons unknown, for offences referred to in the Decree, committed in the context of activities of the Company;
- internal and external communications concerning any case that may be linked to offences referred to in the Decree (e.g. disciplinary measures initiated/implemented against employees);
- requests for legal support sent by employees in the case of criminal proceedings being initiated for offences referred to in the Decree;
- news about changes in the organisational set-up;
- updates to the organisational system and the system of proxies and powers of attorney (including those relating to the system of powers regarding health and safety at work and the environmental safety);
- information concerning news of disciplinary proceedings and sanctions imposed with reference to violations of the Model or relevant pursuant to Legislative Decree 231/2001 or to the dismissal measures for such proceedings with the reasons for them.

Such information must be provided to the OdV by the heads of the company departments according to their area of competence.

The Supervisory Body may propose to the Board of Directors the additional types of information that managers involved in the management of Sensitive Activities must submit, together with the frequency and manner in which such communications are forwarded to the OdV itself, also through the establishment of a specific Procedure and/or the amendment of existing procedures.

Finally, the OdV must receive from the report handler, as identified by the specific Procedure adopted by the Company (see section 6.2), flows of information relating to:

- the receipt of reports regarding violations attributable to conduct relevant pursuant to Legislative Decree 231/2001 or to violations of the Model;
- the follow-up given to such alerts;
- the outcome of investigations and assessments carried out in relation to reports.

Upon receipt of such information flows, the OdV may request the reopening of investigations and/or the carrying out of further investigations into the reports covered by the information flows.

6. Reporting of offences and violations of the Model

6.1. General principles

Any violations of the Model or relevant conduct pursuant to Legislative Decree 231/2001 may be reported through the different channels made available by the Company.

The Company is aware that, in order to encourage the reporting of offences or violations of the Model, it is necessary to create an *ad hoc* system to manage these, which protects, through appropriate technical and organisational measures, the confidentiality of the identity of the whistle-blower, the person involved and the person mentioned in the report, as well as the content of the report and the relevant documentation, which is entrusted to an autonomous and specifically trained person.

The Company therefore has, in compliance with the applicable regulations², specific whistleblowing channels, also defined, through a special Procedure (“Whistleblowing Policy”), the operational procedures and responsibilities for receiving, assessing, handling and closing reports.

6.2. Whistleblowing system

In accordance with Article 6 section 2-*bis* of Legislative Decree 231/2001, the Company has set up the internal reporting channels referred to in the relevant legislation, and equipping itself, in particular, with an IT platform at

<https://wbreport.kpmg.se/GiorgioArmaniGroup>

whose management is entrusted to a consultancy firm appointed by the Armani Group. The latter is also in charge of the preliminary analysis of the reports received.

This platform allows whistle-blowers (for example: employees, collaborators, shareholders, consultants, *outsourcers*, employees and collaborators of suppliers, etc.) to submit, to protect the integrity of the Company, reports of violations of the Model or conduct relevant pursuant to Legislative Decree 231/2001, as well as reports of violations of European Union law and of the relevant national transposing legislation, of which they have become aware as part of their work, understood as their present or past work or professional activity carried out with the Company:

- either in written form,
- or oral form, requiring a contact to make the report (by telephone or in person).

Reports may also be anonymous and must describe in detail the facts and persons that are subject to the report.

Within these channels and at each subsequent stage of the handling of the report, the confidentiality of the whistle-blower’s identity is ensured. Specifically, the identity of the whistle-blower cannot be revealed to persons other than those specifically designated and authorised to receive and handle the report,

² Legislative Decree No. 24 of 10 March 2023 concerning “Implementation of EU Directive No. 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 on the protection of persons who report breaches of national law”.

without the express consent of the whistle-blower. Furthermore, the confidentiality of the identity of the person involved and of the person in any case mentioned in the report, as well as the content of the report and the relevant documentation, is ensured.

6.3. Prohibition against retaliation

The Company guarantees in good faith that whistle-blowers are protected from any form of retaliation, discrimination or penalisation for reasons directly or indirectly linked to the report. Retaliation is defined as any conduct, act or omission, even if only attempted or threatened, occurring as a result of a whistleblowing report (or a report to a judicial authority or a public disclosure), which causes or may cause the whistle-blower, directly or indirectly, unfair harm, including but not limited to:

- dismissal, suspension or equivalent measures;
- downgrading or non-promotion;
- change of duties, change of place of work, reduction of salary, change of working hours;
- suspension of training activities or any restriction on access to them;
- negative merit notes or references;
- adoption of disciplinary measures or any other sanction, including a fine;
- coercion, intimidation, harassment or ostracism;
- discrimination or unfavourable treatment;
- failure to convert a fixed-term employment contract into an open-ended one, where the employee had a legitimate expectation of such conversion;
- non-renewal or early termination of a fixed-term contract;
- damage, including to the person's reputation, especially on *social media* economic or financial prejudice, including loss of economic opportunities and income;
- inclusion in improper lists on the basis of a formal or informal sector or industry agreement, which may result in the person being unable to find employment in the sector in the future;
- conclusion in advance cancellation of the contract for the supply of goods or services;
- cancellation of a licence or permit;
- request to undergo psychiatric or medical examinations;

Protection of the whistle-blower applies even when the report occurs:

- prior to the commencement of the working relationship and if information on the breaches has been acquired during the recruitment process or in other pre-contractual stages;
- during the probation period;
- after the dissolution of the legal relationship, if the information on the breaches was acquired in the course of said relationship.

The protections cited apply also to:

- persons who assist whistle-blowers in the reporting process (“facilitators”);
- people from the same workplace as the whistle-blower, having emotional ties or kinship up to the fourth degree;
- colleagues of the whistle-blower who work in the same work environment as the them and have a regular and ongoing relationship with them;
- entities owned by the whistle-blower or for which the whistle-blower works, as well as entities operating in the same work environment as the whistle-blower.

7. Discipline system

7.1. General principles

The Decree provides for a “*suitable system for sanctioning failure to observe the measures indicated in the Model*”, for both for individuals in senior management and individuals under other management and surveillance.

The existence of a system of sanctions applicable in the event of failure to comply with the rules of conduct, provisions and internal procedures set out in the Model is, in fact, essential to ensure the effectiveness of the Model itself.

The application of the sanctions in question must remain entirely independent of the conduct and outcome of any criminal or administrative proceedings initiated by the judicial or administrative authorities, in the event that the conduct to be censured also constitutes a relevant offence pursuant to the Decree or a relevant criminal or administrative offence under the legislation on the protection of health and safety in the workplace.

In fact, the rules imposed by the Model are assumed by the Company fully autonomously, regardless of the fact that any conduct may constitute a criminal or administrative offence and that the judicial or administrative authorities intend to prosecute such an offence.

The disciplinary system is published in a place that is accessible to all employees and in any case made recognisable to all Addressees.

The verification of the adequacy of the disciplinary system, the ongoing monitoring of any proceedings for the imposition of sanctions on employees, as well as of interventions against

external parties are entrusted to the OdV, which also reports any infringements of which it becomes aware in the course of its duties.

7.2. Violation of the Model

The following constitute violations of the Model:

- behaviours that include the types of offence covered by the Decree;
- conduct which, although not constituting one of the offences covered by the Decree, is unequivocally directed towards its commission;
- conduct that does not comply with the Procedures referred to in the Model and the Code of Ethics;
- conduct that does not comply with the provisions in the Model or referred to by the Model and, in particular, that does not comply with the control measures in the Special Section and the Procedures referred to by the Model;
- uncooperative conduct towards the OdV, consisting of, by way of example, refusing to provide the information or documentation requested, in failing to comply with the general and specific directives addressed by the OdV in order to obtain the information deemed necessary for the performance of its duties, in failing to participate without a justified reason in inspections scheduled by the OdV, in failing to attend training meetings.

The seriousness of violations of the Model will be assessed on the basis of the following circumstances:

- existence and extent of an element of a subjective, malicious or negligent element;
- the presence and level of negligent, reckless, imprecise or otherwise unlawful conduct;
- the extent of the danger and/or consequences of the violation for the persons covered by health and safety in the workplace regulations as well as for the Company;
- predictability of the consequences;
- times and means of the violations;
- circumstances that gave rise to the breach;
- recidivism, consisting in the repeated imposition of disciplinary sanctions for violations of the Model, as well as repetition of disciplinary behaviour, assessed both in episodic terms and as a whole (even if not sanctioned).

7.3. Measures with regard to employees

Violation of the individual rules of conduct set out in this Model by employees subject to the CCNLs applied by the Company constitute a wrongdoing.

Any type of breach of the rules of conduct contained in the Model shall in any case authorise the competent company department to initiate the disciplinary dispute proceedings and the possible imposition of one of the sanctions listed below, determined on the basis of the seriousness of the breach committed in the light of the criteria indicated in section 7.2 and the behaviour prior to (e.g. any previous violations committed) and after the event (e.g. reporting to the OdV of any irregularities) by the person who committed the violation.

Disciplinary measures that may be imposed on said workers – in accordance with the procedures set out in Article 7 sections 2 and 3 of Law no. 300 of 30 May 1970 (Workers' Statute) and by any special regulations applicable, as well as by the CCNLs applied – are those provided for in the following sanctioning system:

- verbal warning;
- written warning;
- Fine of up to an amount equivalent to two hours of the national wage element;
- suspension from work for up to three days;
- dismissal with the right to notice due to justified cause;
- dismissal without notice for good reason.

In any case, the company department shall keep the OdV informed of the sanctions imposed and/or the violations ascertained.

In particular, with reference to violations of the Model by the worker, it is expected that:

- An employee who violates the Procedures laid down in the Model or adopts, in the performance of activities as part of Sensitive Activities, any conduct that violates the provisions of the Model is liable to the measures of verbal or written warning, depending on the seriousness of the breach, provided that such conduct does not lead to the application of measures set out in the Decree;
- an employee who engages in recidivism in any breach subject to a verbal or written warning referred to above within two years, or who violates several times the Procedures provided for by the Model or engages several times while performing activities as part of Sensitive Activities in behaviour that violates the provisions of the Model itself is liable to be fined up to an amount equivalent to two hours of the national wage element, provided that such conduct does not lead to the application of measures provided for by the Decree;
- suspension from work for a maximum of three days applies to an employee who:
 - in violating the Procedures laid down in the Model or adopting, in the performance of activities within Sensitive Activities, conduct in breach of its provisions,

causes damage to the Company or exposes it to an objective situation of danger, provided that such conduct is not in any case unequivocally directed towards the commission of an offence or does not lead to the application of measures provided for by the Decree;

- engages in recidivist behaviour in any of the offences which involve imposition of a fine, as specified in the preceding point, within two years;
- dismissal with notice shall apply, in accordance with CCNLs, to any employee who engages in recidivist behaviour regarding any of the offences involving suspension in the preceding section, within two years;
- dismissal without notice is applied to an employee who:
 - engages in conduct that fails to comply with the provisions set out in the Model and unequivocally aimed at perpetrating an offence sanctioned by Legislative Decree;
 - engages in conduct that is clearly in breach of the provisions of the Model, such as to cause the concrete application against the Company of the measures provided for in the Decree.

In addition, with specific reference to violations of the provisions of the Model concerning the protection of health and safety in the workplace, also in accordance with the provisions of Ministry of Labour Circular no. 15816 of 11 July 2011 concerning the “*Organisation and Management Model* pursuant to *Article 30, Legislative Decree 81/2008*”:

- an employee who fails to comply with the Model shall be liable to written warning if the breach leads to a situation of possible danger to the physical integrity of one or more persons, including the perpetrator, and provided that none of the possible cases set out in the points below applies;
- a fine of up to an amount equivalent to two hours of the national wage element shall be imposed on any employee who engages in repeat offence of any of the offences for which a written warning applies, as referred to in the preceding point, more than twice within two years, or who fails to comply with the Model, if the violation results in injury to the physical integrity of one or more persons, including the perpetrator, and provided that none of the possible cases provided for in the following points applies;
- suspension from work for a maximum of three days applies to an employee who:
 - does not comply with the Model, if the violation causes an injury, qualifying as serious pursuant to Article 583, section 1 of the Criminal Code, to the physical integrity of one or more persons, including the perpetrator, and provided that one of the cases provided for in the following point is not applicable;

- engages in recidivist behaviour in any of the offences which involve imposition of a fine, as specified in the preceding point, within two years;
- dismissal with notice shall apply to any employee who engages in recidivist behaviour regarding any of the offences involving suspension from work, as specified in the preceding section, more than twice within two years;
- An employee who does not comply with the Model shall be liable for dismissal without notice if the violation causes an injury which qualifies as very serious pursuant to Article 583, section 2 of the Criminal Code, to the physical integrity or death of one or more persons, including the perpetrator.

This is without prejudice to the fact that the provisions of the Model cannot be interpreted in such a way as to constitute a derogation from the provisions on sanctions for wrongful and/or unlawful dismissals set out in Article 8 of Law 300/1970 and Articles 2 and 3 of Legislative Decree no. 23 of 4 March 2015.

7.4. Violations of the Model by executives and related measures

With regard to violations of the individual rules set out in this Model committed by Company employees with managerial status, these also constitute a disciplinary offence.

Any type of breach of the rules of conduct contained in the Model shall in any case authorise the competent company department to initiate the disciplinary dispute proceedings and the possible imposition of the measure considered most appropriate according to the provision of the Civil Code, Workers' Statute and National Collective Bargaining Agreement applied, determined on the basis of the seriousness of the breach committed in the light of the criteria indicated in section 7.2 and the behaviour prior to (e.g. any previous violations committed) and after the event (e.g. reporting to the OdV of any irregularities) by the person who committed the violation.

Disciplinary measures that may be imposed on executives – in accordance with the procedures set out in Article 7 sections 2 and 3 of Law no. 300/1970 and by any special regulations applicable, as well as by the CCNLs applied – are those provided for in the following sanctioning system:

- written warning;
- suspension from work for up to three days;
- dismissal with the right to notice:
- dismissal without notice.

As a specific sanction, the suspension of any powers of attorney conferred on the executive may also be applied.

In any case, the competent company department shall keep the OdV informed of the sanctions imposed and/or the violations ascertained.

In particular, with reference to violations of the Model by Company executives, it is expected that:

- in the event of a minor breach of one or more of the behavioural or procedural regulations laid down in the Model, the executive will receive a written warning requiring him/her to comply with the Model, which constitutes a necessary condition for preserving the relationship of trust with the Company;
- in the event of a non-serious but repeated breach of one or more procedural or behavioural rules set out in the Model, the manager shall be suspended from work for a maximum of three days;
- in the event of a serious breach of one or more of the procedural or behavioural rules provided for in the Model such as to constitute a serious breach, or in the event of recidivism in any of the offences leading to suspension more than twice within two years, the executive shall be liable to dismissal with the right to notice;
- when the breach of one or more procedural or behavioural rules provided for by the Model is so serious as to irretrievably damage the relationship of trust, preventing even the temporary continuation of the working relationship, the executive will incur the sanction of dismissal without notice.

Furthermore, the following constitute a serious breach of the provisions of the Model for Company employees with managerial status:

- Failure to comply with the obligation to direct or supervise subordinate workers in the correct and effective application of the Model;
- Failure to comply with the obligation to direct or supervise other workers who, although not linked to the Company by an employment relationship (for example, in the case of self-employed workers, Consultants, Collaborators, etc.) are in any case subject to the direction and supervision of the executive pursuant to Article 5 section 1 (b) of Legislative Decree 231/2001, without prejudice to the qualification of the contract with those workers.

This is without prejudice to the fact that the provisions of the Model cannot be interpreted in such a way as to constitute a derogation from the provisions on sanctions for wrongful and/or unlawful dismissals under the CCNL applied.

7.5. Measures regarding the Board of Directors and the Board of Statutory Auditors

In the event of a breach of the Model by one or more members of the Board of Directors, the whistleblowing manager or the OdV shall inform the entire Board of Directors and the Board of Statutory Auditors, so that the latter may convene the Shareholders' Meeting without delay, for the appropriate measures to be taken in line with the seriousness of the violation committed, in light of the criteria indicated in

Section 7.2 and in accordance with the powers provided for by the law and/or the Articles of Association (statements in the minutes of the meeting, request to convene or convening of the Shareholders' Meeting with the appropriate measures against the parties liable, etc. on the agenda).

The disciplinary measures that may be imposed on one or more members of the Board of Directors, subject to a resolution of the Shareholders' Meeting to be adopted with the abstention of the person concerned, if necessary, are those envisaged by the following sanctioning system:

- written warning;
- removal from office.

In particular, with reference to violations of the Model by one or more members of the Board of Directors, it is expected that:

- in the event of a minor breach of one or more of the behavioural or procedural regulations laid down in the Model, the Board of Directors member will receive a written warning requiring him/her to comply with the Model, which constitutes a necessary condition for preserving the relationship of trust with the Company;
- in the event of a serious breach of one or more procedural or behavioural regulations set out in the Model, such as to irreparably damage the relationship of trust, the member of the Board of Directors shall be removed from office.

Furthermore, breach of the obligation to direct or supervise subordinates on the correct and effective application of the provisions of the Model shall also constitute a sanctionable violation of the Model for the members of the Board of Directors.

In the event of violations committed by a person referred to in this section, who also has the status of employee, the sanctions established by the Board of Directors shall be applied, without prejudice in any case to the applicability of the various disciplinary actions that may be taken on the basis of the employment relationship with the Company and in compliance with the procedures of the law, as applicable.

In the event of a breach of the Model by the entire Board of Directors, the whistleblowing manager or the OdV shall inform the Board of Statutory Auditors so that the latter may convene the Shareholders' Meeting without delay for the appropriate measures.

In the event of a violation by one or more Statutory Auditors, concerning the function of controlling the adequacy of the organisational, administrative and accounting structure adopted by the Company and its actual functioning, as provided for by law, the whistleblowing manager or the OdV shall inform the Board of Statutory Auditors and the Board of Directors, which shall take the appropriate measures in line with the seriousness of the violation and in accordance with the powers provided for by law and/or the Articles of Association (statements in the minutes of meetings, request to convene or convening

of the Shareholders' Meeting with adequate measures against the parties responsible for the violation on the agenda, etc.).

7.6. Measures against members of the OdV and third parties

For measures against the members of the OdV, please see the rules governing the removal of members from office (see section 5.4).

For measures against the members of the OdV, please see the rules governing the relationship with the members (see section 4).

For workers with temporary job contracts, the appropriate disciplinary measures will be assessed and adopted by the temporary employment agency, in compliance with the procedures provided for in Article 7 of Law 300/1970, following detailed notification in writing by the competent Departments.

7.7. Disciplinary system for violations concerning the whistleblowing system

The following also constitute violations of the Model:

- retaliation of any kind (see section 6.3);
- obstructing or attempting to obstruct the submission of reports;
- breach of the confidentiality obligation regarding the identity of whistle-blowers, reported persons, persons in any way mentioned in the report and facilitators, as well as the content of reports and related documentation;
- failure to verify and analyse reports received;
- unfounded reports, allegations or disclosures which are found to have been carried out with intent or gross negligence.

Without prejudice to other specifics of the concrete case, the circumstance that the infringement has led to the application by ANAC (National Anti-Corruption Authority) to the Company of an administrative financial penalty pursuant to the reference legislation shall be considered a significant aggravating factor.

In particular, with reference to violations of the Model concerning the whistleblowing system, it is provided that, depending on the seriousness of the violation, assessed on the basis of the circumstances referred to in section 7.2:

- in the event of retaliation:
 - the worker other than the executive is liable to suspension from work for a maximum of three days, dismissal with the right to notice and dismissal without notice;
 - the executive is liable to suspension of work for a maximum of three days, dismissal with the right to notice, dismissal without notice;

- the director is liable to suspension, with proportional loss of remuneration (where provided for), for a maximum of ninety days, to the revocation of any powers, to the removal from office;
- obstructing or attempting to obstruct the submission of reports;
 - the worker other than the manager is liable to suspension from work for a maximum of three days, dismissal with the right to notice and dismissal without notice;
 - the executive is liable to suspension of work for a maximum of three days, dismissal with the right to notice, dismissal without notice;
 - the director is liable to suspension, with proportional loss of remuneration (where provided for), for a maximum of ninety days, to the revocation of any powers, to the removal from office;
- in the event of breach of the confidentiality obligation regarding the identity of whistle-blowers, reported persons, persons in any way mentioned in the report and facilitators, as well as the content of reports and related documentation:
 - the worker other than the executive is liable to a fine, suspension from work for a maximum of three days, to dismissal with the right to notice;
 - the executive is liable to suspension of work for a maximum of three days, dismissal with the right to notice, dismissal without notice;
 - the director is liable to a fine of up to 50% of their monthly remuneration, to suspension, with proportional loss of remuneration (where provided for), for a maximum of thirty days, to the revocation of any powers, to the removal from office;

In addition, in all cases of breach of the confidentiality obligation – except for the relevance of other particularities of the specific case – its commission by an employee or an executive appointed as whistleblowing manager will be considered a significant aggravating factor;

- in the event of failure to verify and analyse reports received;
 - the worker other than the executive is liable to a fine, suspension from work for a maximum of three days, to dismissal with the right to notice;
 - the executive is liable to suspension from work for a maximum of three days, to dismissal with the right to notice, to dismissal without notice;
- in the event of unfounded reports, allegations or disclosures which are found to have been carried out with intent or gross negligence.

- the worker other than the manager is liable to suspension from work for a maximum of three days, dismissal with the right to notice and dismissal without notice;
- the executive is liable for dismissal with the right to notice and dismissal without notice;
- the administrator is liable to have any powers revoked and to be removed from office;

in addition, in all cases of reports, allegations or unfounded disclosures which are found to have been made with intent or gross negligence, the determination of a damage to the Company will be considered as aggravating factors. In such cases, the Company reserves the right to demand compensation from the person responsible.

In any case, the competent company department shall keep the OdV informed of the sanctions imposed and/or the violations ascertained.

8. Communication of the model and training of target recipients

Communication of the Model externally is handled by the Human Resources department and is carried out through the means deemed most appropriate (e.g., Group website).

Training on the model and the reference legislation is entrusted to the Human Resources department, which coordinates with the Supervisory Body for this purpose.

The Company formalises and implements specific training plans, with the aim of ensuring effective knowledge of the Decree, the Code of Ethics and the Model. The contents of the training are differentiated according to whether it is aimed at employees in general, employees working in specific risk areas, members of the Board of Directors, etc.

Participation in the training is compulsory and attendance of participants is tracked.

Training can also be carried out using computerised tools (e.g. in the form of “*e-learning*”) and is carried out with the support of experts in the relevant regulations.

9. Introduction to the Special Section

As already highlighted in section 3, pursuant to the provisions of Article 6, section 1, (a) of the Decree, the Company has proceeded to identify the Sensitive Activities (*control and risk self-assessment*).

The Company has consequently identified and effectively implemented in the control system appropriate provisions in order to make it suitable for reducing the risk the risk of offences being committed.

The protocols contain:

- Sensitive Activities with reference to each of the categories of offence identified as relevant for the Company;
- for each Sensitive Activity, the control measures in place, aimed at or otherwise for reducing the risk of the predicate offences being committed, divided into the following areas (where applicable):
 - powers and powers of attorney;
 - separation of duties;
 - procedures;
 - specific control measures;
 - *ex post* traceability and auditability.

These control measures are contained in and implemented in the Procedures and other components of the internal control system.

10. Predicate offences relevant to the Company

In consideration of the structure and activities carried out by the Company, through the *control and risk self-assessment* activity, the Company itself has identified as relevant the following categories of predicate offence:

- crimes committed against the Public Administration (articles 24 and 25);
- computer crimes and unlawful processing of data (Article 24-*bis*);
- organised crime and cross-border crimes (Article 24-*ter* and Article 10 of Law 146/2006);
- counterfeiting of money, legal tender and official stamps, and of distinctive marks and instruments (Article 25-*bis*);
- crimes against industry and trade (Article 25-*bis*.1);
- corporate crime, including bribery between private individuals (Article 25-*ter*);
- crimes against the individual person, with specific reference to the offence of illicit brokering and exploitation of labour (Article 25-*quinquies*);
- manslaughter and serious or grievous bodily harm committed through breach of occupational health and safety regulations (Article 25-*septies*);
- receipt of stolen goods, money laundering and investment of the proceeds of crime, as well as self-laundering (Article 25-*octies*);
- offences relating to non-cash payment instruments and fraudulent transfer of valuables and assets (Article 25-*octies*.1);

- breach of copyright (Article 25-*novies*);
- incitement to not testify or to bear false testimony to the judicial authority (Article 25-*decies*);
- environmental crimes (Article 25-*undecies*);
- employing of illegally staying third-country nationals (Article 25-*duodecies*);
- tax crimes (Article 25-*quinquiesdecies*);
- smuggling (Article 25-*sexiesdecies*).

11. General control measures

In the management of all Sensitive Activities, in addition to the provisions of the Code of Ethics, the following control measures are applied:

- it is prohibited to engage in conduct that is:
 - such that could fall within the scope of the offences described above;
 - although in itself does not fall within the scope of the offences considered above, could potentially evolve in that direction;
 - in any case not in line with or not in accordance with the principles and requirements contained in the Model and the Code of Ethics;
- management of the Sensitive Activities must be carried out exclusively by the competent Corporate Departments;
- employees of the Company must strictly comply with, and respect any limits provided for in the organisational powers or proxies granted by the Company;
- The Company's employees are required to comply with the corporate procedures applicable to Sensitive Activities, appropriately updated and disseminated within the organisation.