



***ORGANIZATION, MANAGEMENT AND
CONTROL MODEL PURSUANT TO
LEGISLATIVE DECREE 231/2001***

Rev. 02/29/2024

Document:	<i>Model Of organization, management And check to the senses of the D. Legislative Decree 231/2001</i>			
File:	Model 231			
Version:	1	Adoption of the document	Verification by the Supervisory Body of:	-
			Approval Board of Directors of the:	20.11. 2017.
Version	2	Update of the document	Verification by the Supervisory Body of:	-
			Approval Board of Directors of the:	26.10.2018
Version	3	Update of the document	Verification by the Supervisory Body of:	25.09. 2020
			Approval Board of Directors of the:	28.09. 2020
Version	4	Update of the document	Verification by the Supervisory Body of:	13.02.2024
			Approval Board of Directors of the:	29.02.2024

INDEX

1.	PREMISES	5
1.1.	DEFINITIONS	6
1.2.	LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001	10
1.3.	THE GUIDELINES ISSUED BY THE TRADE ASSOCIATIONS	27
1.4.	LO.LI. PHARMA INTERNATIONAL SRL	27
1.4.1.	<i>Organization chart</i>	28
1.5.	THE GOVERNANCE OF THE COMPANY	28
1.5.1.	<i>Members' meeting</i>	29
1.5.2.	<i>Board of Directors</i>	31
1.5.3.	<i>President of the Board of Directors and CEO</i>	32
1.5.4.	<i>Managing Director for Administration and Accounting</i>	33
1.5.5.	<i>Managing Director for Finance, Trademarks and Patents</i>	33
1.5.6.	<i>General Manager</i>	34
1.5.7.	<i>Sole Auditor</i>	34
1.5.8.	<i>Supervisory Body</i>	34
1.6.	SANCTIONING SYSTEM OF DECREE	35
1.6.1.	<i>Financial sanctions</i>	35
1.6.2.	<i>Interdictory sanctions</i>	36
1.6.3.	<i>Other sanctions</i>	39
1.7.	EVENTS MODIFYING THE ORGANIZATION	40
1.8.	FURTHER ORGANIZATIONAL ASPECTS REQUIRED BY MODEL	42
2.	RESPONSIBILITY FOR THE APPROVAL, TRANSPOSITION, INTEGRATION AND IMPLEMENTATION OF MODEL	43
3.	THE ORGANISATION, MANAGEMENT AND CONTROL MODEL	45
3.1.	SALIENT FEATURES OF THE MODEL	45
3.2.	ACTIVITIES AIMED AT ADAPTING THE EXISTING ORGANIZATIONAL STRUCTURE TO THE REQUIREMENTS ESTABLISHED BY LEGISLATIVE DECREE 231/2001 ..	48
3.3.	THE ORGANISATION, MANAGEMENT AND CONTROL MODEL FOR THE PREVENTION OF CRIME RISKS REGARDING HYGIENE AND SAFETY IN THE WORKPLACE	49
3.4.	THE ORGANISATION, MANAGEMENT AND CONTROL MODEL FOR THE PREVENTION OF ENVIRONMENTAL CRIME RISKS	50
3.5.	THE ORGANISATION, MANAGEMENT AND CONTROL MODEL FOR THE PREVENTION OF THE RISKS OF ASSOCIATIVE CRIMES	51
3.6.	THE ORGANISATION, MANAGEMENT AND CONTROL MODEL FOR THE PREVENTION OF THE RISKS OF THE CRIME OF SELF-LAUNDERING	52
3.7.	THE ORGANISATION, MANAGEMENT AND CONTROL MODEL FOR THE PREVENTION OF THE RISKS OF TAX CRIMES	53



4.	ANALYSIS AND ASSESSMENT OF CRIME RISK AND MANAGEMENT OF IDENTIFIED RISKS	56
5.	CODE OF ETHICS	58
5.1.	CODE OF CONDUCT TOWARDS THE PUBLIC ADMINISTRATION	59
5.2.	ANTI-CORRUPTION CODE OF CONDUCT	61
5.3.	ADEQUATE PROCEDURES IN ACCORDANCE WITH THE BRIBERY ACT 2010 ...	61
6.	REGULATION OF SENSITIVE PROCESSES THROUGH PREVENTIVE PROTOCOLS	85
7.	TRAINING AND INFORMATION OF EMPLOYEES	86
8.	INFORMATION TO OTHER THIRD PARTIES	87
9.	GUIDELINES OF THE DISCIPLINARY SYSTEM	88
10.	SUPERVISORY BODY	89
10.1.	THE IDENTIFICATION OF THE SUPERVISORY BODY	89
10.2.	ARCHITECTURE AND COMPOSITION OF THE SUPERVISORY BODY	90
10.3.	TERM OF OFFICE, DISQUALIFICATION AND REPLACEMENT OF MEMBERS	92
10.4.	RULES OF CONVOCAION AND FUNCTIONING	95
10.5.	THE FUNCTIONS AND POWERS OF THE SUPERVISORY BODY	95
10.6.	REPORTING TO THE CORPORATE BODIES	96
10.7.	INFORMATION FLOWS TO THE SUPERVISORY BODY	98
10.8.	REPORTS TO THE SUPERVISORY BODY (WHISTLEBLOWING)	99
10.9.	METHOD OF TRANSMISSION AND EVALUATION OF INFORMATION FLOWS AND REPORTS	101
10.10.	REPORTING SYSTEM OBLIGATIONS AND REQUIREMENTS (WHISTLEBLOWING) 102	
10.11.	DISCIPLINE OF SECRECY	103
10.12.	BOOKS OF THE SUPERVISORY BODY	104
10.13.	RECORDING OF REPORTS	105



1. PREMISES

This document describes the "Organisation, management and control model" adopted by Lo.Li. Pharma International Srl pursuant to and for the purposes of articles 6 and 7 of Legislative Decree 8 June 2001, n. 231.

The Model is understood as the set of organizational solutions, the management system and the internal control system of the Company, as re-evaluated and revised according to the objective of preventing the risk of committing the predicate crimes envisaged by the Decree which regulates the administrative responsibility of entities.

The Model is divided into 2 parts:

- **General Part** : document with the aim of describing the methodology and salient characteristics of the organisation, management and control model for the prevention of the risk of crime adopted by the Company.
- **Special Part** : concerns the application in detail of the crime principles referred to in the "General Part" with reference to the crime risks referred to in Legislative Decree 231/2001 to which the Company is most exposed.

Furthermore, the following are attached to the Special Part:

- Annex 1: Crimes Prerequisite ;
- Annex 2: Guidelines;
- Annex 3: Protocols Quotes ;
- Attachment 4: Bibliography .

1.1. Definitions

In this document the following expressions have the meaning indicated below:

- “ *Activities at risk of crime* ”: the process, operation, act, or the set of operations and acts, which may expose the Company to the risk of sanctions pursuant to the Decree based on the commission of a Crime .
- “ *CCNL* ”: the National Collective Labor Agreement applicable to the Company's employees and, specifically, the CCNL for trade in force pro tempore.
- “ *Code of Ethics* ”: the document, officially wanted and approved by the top management of the Company as an explanation of the company policy, which contains the general principles of behavior - that is, recommendations, obligations and/or prohibitions - which the Recipients must comply with and whose violation is sanctioned.
- “ *Legislative Decree 231/2001* ” or “ *Decree* ”: Legislative Decree 8 June 2001, n. 231, containing the " *Discipline of the administrative responsibility of legal persons, companies and associations even without legal personality, pursuant to art. 11 of law 29 September 2000, n. 300*", published in the Official Journal no. 140 of 19 June 2001, and subsequent amendments and additions.
- “ *Recipients* ”: Corporate bodies (Board of Directors), Employees, agents and representatives, procurers, Suppliers and all those who operate in the interest or to the advantage of the Company, with or without representation and regardless of the nature and type of relationship held with the Company Principal company. The Recipients are required to comply with the Model, the Code of Ethics and the preventive protocols.
- “ *Employees* ”: all natural persons who have an employment relationship with the Company.
- “ *Guidelines* ”: the Guidelines for the construction of organisation, management and control models *pursuant to* Legislative Decree 231/2001, published by trade associations, which were considered for the purposes of preparing and adopting the Model.

- “ *Organisation, management and control model pursuant to Legislative Decree 231/2001* ” or “ *Model* ”: the organisation, management and control model deemed by the Corporate Bodies to be suitable for preventing Crimes and, therefore, adopted by the Company, to pursuant to articles 6 and 7 of the Legislative Decree, in order to prevent the commission of the Crimes themselves by top or subordinate personnel, as described in this document and related annexes.
- “ *Corporate Bodies* ”: the Board of Directors.
- “ *Supervisory Body* ” or “ *SB* ”: the Body envisaged by the art. 6 of the Legislative Decree, having the task of supervising the functioning and observance of the organisation, management and control model, as well as its updating.
- “ *Staff* ”: all natural persons who have an employment relationship with the Company, including employees, temporary workers, collaborators, “ *interns* ”, agents, and freelancers who have received an assignment from the Company.
- “ *Top Personnel* ”: the subjects referred to in article 5, paragraph 1, letter. a) of the Decree, or the subjects who hold representation, administration or management functions of the Company; in particular, the members of the Board of Directors, the President and any instigators and attorneys of the Company.
- “ *Personnel subject to the direction of others* ”: the subjects referred to in article 5, paragraph 1, letter. b) of the Decree, or all personnel who work under the direction or supervision of top management personnel.
- “ *Public Administration* ” or “ *PA* . ”: By Public Administration we mean:
 - the State (or State Administration);
 - Public Bodies: it is specified that the Public Body is identified as such by law or is a body subject to a system of public controls, to the interference of the State or other Administration with regard to the appointment and dismissal of its directors , as well as the Administration of the Institution itself. It is characterized by the participation of the State, or other Public Administration, in management costs; or by the directive power that the State boasts over its bodies; or from institutional public funding; or from constitution to public initiative. By way of example and not exhaustively, the following companies are to be considered Public Administrations in a broad sense: Ferrovie dello Stato, AEM Milano, etc.

- Public Official : someone who exercises "a public legislative, judicial or administrative function". For the purposes of criminal law "the administrative function governed by rules of public law and authoritative acts and characterized by the formation and manifestation of the will of the public administration or by its carrying out through authoritative or certifying powers is public" (art.357 cp);
 - Public Service Representative: someone who "provides a public service in any capacity. By public service must be understood an activity regulated in the same forms as a public function, but characterized by the lack of the powers typical of the latter and with the exclusion of the performance of simple law enforcement tasks and the provision of merely material work" (art. 358 of the criminal code). It is stated that "in any capacity" must be understood as meaning that a person exercises a public function, even without a formal or regular investiture (in charge of a "de facto" public service). In fact, the relationship between the PA and the person providing the service is not relevant.
- **" Protocol "**: the organisational, physical and/or logical measure envisaged by the Model in order to prevent the risk of committing Crimes.
 - **" Crimes "** or the **" Crime "**: the set of crimes, or the single crime, referred to by Legislative Decree 231/2001 (as possibly modified and integrated in the future).
 - **"Reporter"** : anyone who witnesses an offense or irregularity in the workplace and decides to report it. For private entities, the reference is to " *people who hold representation, administration or management functions of the entity or one of its organizational units with financial and functional autonomy as well as to people who exercise, even de facto, the management and the control of the same* ", as well as to " *persons subject to the management or supervision of one of the subjects* " previously mentioned.
 - **"Reported"**: the person to whom the reporting party attributes the commission of the illicit act/irregularity which is the subject of the report.
 - **"Report "**: communication from the reporting party concerning detailed information regarding illicit conduct, relevant pursuant to Legislative Decree 231/2001 and based on precise and consistent factual elements, or violations of the organization and



management model of the entity , of which they became aware due to the functions performed ".

- “ **Disciplinary System** ”: the set of sanctioning measures applicable in case of violation of the procedural and behavioral rules established by the Model;
- “ **Society** ”: **Lo.Li . Pharma International Srl**



1.2. Legislative decree no. 231 of 8 June 2001

In the wake of a process started by the European Union ¹, with the approval of Legislative Decree no. 231 of 8 June 2001, the administrative liability of entities deriving from the commission of criminal offenses was also introduced in Italy.

The provisions of the Decree came into force on 4 July 2001, introducing for the first time in Italy a particular form of liability of entities for certain crimes committed in their interest or to their advantage by their personnel (top management, employees, etc.) . This responsibility does not replace that of the natural person who committed the illicit act, but is added to it.

The liability regime, therefore, involves in the punishment of certain criminal offenses the assets of entities that have benefited from the commission of the offenses themselves. In fact, in the event of an offence, the application of a pecuniary sanction is always foreseen and, for the most serious cases, further serious interdictory measures are also foreseen, such as the suspension or revocation of concessions and licenses, the interdiction from the exercise of the activities, the ban on contracting with the Public Administration, the exclusion or revocation of financing and contributions, the ban on advertising goods and services, up to and including the institution being placed under special administration.

The crimes referred to by the Decree, i.e. the crimes from whose commission the administrative liability of the entities may arise, are - to date - those committed in relation to relationships with the public administration, crimes relating to counterfeiting of coins, public credit cards and revenue stamps, corporate crimes, crimes with the aim of terrorism or subversion of the democratic order, crimes against the individual

¹ OECD (Organisation for Economic Co-operation and Development) Convention of 17 December 1997 on the bribery of foreign public officials in international business transactions. OECD and European Union conventions against corruption in international trade and against fraud against the European Community. The art. 11 of the enabling law (law 29 settembre 2000no. 300), in particular, delegated the Government to regulate this type of responsibility.

personality, *market abuse crimes* , transnational crimes, crimes concerning the trafficking of migrants, crimes of receiving stolen goods, money laundering and self-laundering, organized crime crimes, crimes against industry and commerce, crimes related to accident prevention and health and safety at work regulations, computer crimes, some crimes relating to copyright, crimes relating to patents and industrial exclusivity, food crimes, association, mafia and weapons crimes, environmental crimes and the crime of employment of third-country nationals whose residence is illegal. In particular, below are the crimes in relation to the commission of which the entity may be sentenced to administrative sanctions ²:

➤ **Undue receipt of funds, fraud to the detriment of the State, a public body or the European Union or to obtain public funds, computer fraud to the detriment of the State or a public body and fraud in public supplies (Article 24, D .Legislative Decree no. 231/2001)³**

- Embezzlement of public funds (art. 316-bis of the criminal code)⁴
- Undue receipt of public funds (art. 316-ter of the criminal code)⁵
- Fraud to the detriment of the State or other public body or the European Communities (art.640, paragraph 2, n.1, criminal code)
- Aggravated fraud to obtain public funding (art. 640-bis of the criminal code)⁶
- Computer fraud to the detriment of the State or other public body (art. 640-ter of the criminal code)
- Fraud in public supplies (art. 356 criminal code)⁷
- Fraud against the European Agricultural Fund (art. 2. L. 23/12/1986, n.898)⁸
- Disturbed freedom of auctions (art. 353 criminal code)⁹
- Disturbed freedom of the procedure for choosing the contractor (art. 353-bis)¹⁰

² For an in-depth analysis of the individual types of crime referred to in the Decree, please refer to **Annex 1** of the Special Part, which contains the information relating to the cases and to **Annex 2** , also of the Special Part, where - in the associations' guidelines category - the analysis of the conduct also used in risk assessment activities is reported .

³Article modified by L. 161/2017, by Legislative Decree no. 75/2020 and by Law no. 137/2023.

⁴ Article introduced by art. 3, L. 26 April 1990, n. 86, and subsequently amended by art. 1, L. 7 February 1992, n. 181 and art. 2, DL 25 February 2022, n. 13.

⁵ Articolo modified by Law n. 3/2019 and by Legislative Decree no. 13/2022.

⁶ Article modified by Legislative Decree n. 13/2022.

⁷ Article introduced by Legislative Decree no. 75/2020.

⁸ Article introduced by Legislative Decree no. 75/2020.

⁹ Article introduced by Law 137/2023.

¹⁰ Article introduced by Law 137/2023.



➤ **IT crimes and illicit data processing (Art. 24-bis, Legislative Decree no. 231/2001)¹¹**

- IT documents (art. 491-bis of the criminal code)
- Illegal access to a computer or telematic system (art. 615-ter of the criminal code)
- Illegal possession, dissemination and installation of equipment, codes and other means for accessing IT or telematic systems (art. 615-quater of the Criminal Code)¹²
- Illegal possession, dissemination and installation of equipment, devices or computer programs aimed at damaging or interrupting an IT or telematic system (art. 615-quinquies of the criminal code)¹³
- Illegal interception, impediment or interruption of computer or telematic communications (art. 617-quater of the criminal code)¹⁴
- Illegal possession, dissemination and installation of equipment and other means capable of intercepting, preventing or interrupting computer or telematic communications (art. 617-quinquies of the criminal code)¹⁵
- Damage to information, data and computer programs (art. 635-bis of the criminal code)
- Damage to information, data and computer programs used by the State or other public body or in any case of public utility (art. 635-ter of the criminal code)
- Damage to IT or telematic systems (art. 635-quater of the criminal code)
- Damage to computer or telematic systems of public utility (art. 635-quinquies of the criminal code)
- Computer fraud by the electronic signature certifier (art. 640-quinquies of the criminal code)
- Violation of the rules regarding the national cyber security perimeter (art. 1, paragraph 11, DL 21 September 2019, n. 105)

➤ **Organized crime crimes (Art. 24-ter, Legislative Decree no. 231/2001)¹⁶**

- Mafia-type associations, including foreign ones (art. 416-bis of the criminal code)¹⁷
- Criminal association (art. 416 criminal code)
- Political-mafia electoral exchange (art. 416-ter of the criminal code)¹⁸
- Kidnapping for the purpose of extortion (art. 630 criminal code)

¹¹Article added by Law n. 48/2008; amended by Legislative Decree no. 7 and 8/2016 and by Legislative Decree no. 105/2019.

¹²Article modified by Law no. 238/2021

¹³Article modified by Law no. 238/2021

¹⁴Article modified by Law no. 238/2021

¹⁵Article modified by Law no. 238/2021

¹⁶Article added by Law n. 94/2009 and amended by Law 69/2015

¹⁷Article modified by Law n. 69/2015

¹⁸Article thus replaced by art. 1, paragraph 1, Law 17 April 2014, n. 62, starting from 18 April 2014, pursuant to the provisions of art. 2, paragraph 1 of the same Law 62/2014)

- Association aimed at illicit trafficking of narcotic or psychotropic substances (art. 74 Presidential Decree 9 October 1990, n. 309)¹⁹
- All crimes if committed making use of the conditions set out in the art. 416-bis of the Criminal Code to facilitate the activity of the associations provided for by the same article (L. 203/91)
- Illegal manufacturing, introduction into the State, offering for sale, transfer, possession and carrying of weapons of war in a public place or open to the public or war type or parts thereof, explosives, clandestine weapons as well as more common firearms excluding those provided for in article 2, third paragraph, of law 18 April 1975, n. 110 (art. 407, co. 2, letter a), number 5), cpp)

➤ **Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office (Art. 25, Legislative Decree no. 231/2001)²⁰**

- Extortion (art. 317 criminal code)²¹
- Corruption for the exercise of the function (art. 318 criminal code)²²
- Corruption for an act contrary to official duties (art. 319 criminal code)²³
- Aggravating circumstances (art. 319-bis of the criminal code)
- Corruption in judicial documents (art. 319-ter of the criminal code)²⁴
- Undue inducement to give or promise benefits (art. 319-quater of the criminal code)²⁵
- Corruption of a person in charge of a public service (art. 320 criminal code)
- Penalties for the corruptor (art. 321 criminal code)
- Incitement to corruption (art. 322 criminal code)
- Embezzlement, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption, abuse of office, of members of international courts or bodies of the European Communities or of international parliamentary assemblies or of international organizations and of officials of the European Communities and of foreign states (art. 322-bis of the criminal code)²⁶
- Trafficking in illicit influence (art. 346-bis of the criminal code)²⁷
- Embezzlement (limited to the first paragraph) (art. 314 criminal code)²⁸
- Embezzlement by profiting from the mistakes of others (art. 316 of the criminal code)²⁹
- Abuse of office (art. 323 criminal code)³⁰

¹⁹paragraph 7-bis added by Legislative Decree no. 202/2016

²⁰Article modified by Law n. 190/2012, by Law 3/2019 and by Legislative Decree no. 75/2020

²¹Article modified by Law n. 69/2015

²²Article last modified by Law n. 3/2019

²³Article modified by Law n. 69/2015

²⁴Article modified by Law n. 69/2015

²⁵Article added by Law n. 190/2012 and amended by Law no. 69/2015

²⁶Article modified by Law n. 190/2012 and by Law no. 3/2019

²⁷Article modified by Law n. 3/2019

²⁸Article introduced by Legislative Decree no. 75/2020

²⁹Article introduced by Legislative Decree no. 75/2020

³⁰ Article introduced by Legislative Decree no. 75/2020

➤ **Counterfeiting of coins, public credit cards, revenue stamps and identification instruments or signs (Art. 25-bis, Legislative Decree no. 231/2001)³¹**

- Alteration of coins (art. 454 criminal code)
- Counterfeiting of coins, spending and introduction into the State, with prior agreement, of counterfeit coins (art. 453 of the criminal code)
- Spend and introduction into the State, without concert, of counterfeit coins (art. 455 criminal code)
- Spending of counterfeit coins received in good faith (art. 457 of the criminal code)
- Falsification of revenue stamps, introduction into the State, purchase, possession or putting into circulation of falsified revenue stamps (art. 459 of the criminal code)
- Counterfeiting of watermarked paper used for the manufacture of public credit cards or revenue stamps (art. 460 of the criminal code)
- Manufacture or possession of watermarks or instruments intended for the counterfeiting of coins, revenue stamps or watermarked paper (art. 461 criminal code)
- Use of counterfeit or altered revenue stamps (art. 464 criminal code)
- Counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs (art. 473 criminal code)
- Introduction into the State and trade of products with false signs (art. 474 criminal code)

➤ **Crimes against industry and commerce (Art. 25-bis.1, Legislative Decree no. 231/2001)³²**

- Illicit competition with threats or violence (art. 513-bis of the criminal code)
- Disturbed freedom of industry or commerce (art. 513 criminal code)
- Fraud against national industries (art. 514 criminal code)
- Fraud in the exercise of trade (art. 515 penal code)
- Sale of non-genuine food substances as genuine (art. 516 criminal code)
- Sale of industrial products with false signs (art. 517 criminal code)
- Manufacture and trade of goods made by usurping industrial property rights (art. 517-ter of the criminal code)
- Counterfeiting of geographical indications or designations of origin of agri-food products (art. 517-quater of the criminal code).

³¹ Article added by DL n. 350/2001, converted with amendments by Law no. 409/2001; modified by Law n. 99/2009; amended by Legislative Decree 125/2016

³²Article added by Law n. 99/2009

➤ **Corporate crimes (Art. 25-ter, Legislative Decree no. 231/2001)³³**

- False corporate communications (art. 2621 cc)³⁴
- Minor events (art. 2621-bis of the civil code)
- False corporate communications of listed companies (art. 2622 cc)³⁵
- Prevented control (art. 2625, paragraph 2, civil code)
- Undue return of contributions (art. 2626 cc)
- Illegal distribution of profits and reserves (art. 2627 cc)
- Illegal transactions on shares or quotas of the company or of the parent company (art. 2628 cc)
- Operations to the detriment of creditors (art. 2629 cc)
- Failure to disclose conflict of interest (art. 2629-bis of the Civil Code)³⁶
- Fictitious formation of capital (art. 2632 cc)
- Undue distribution of company assets by the liquidators (art. 2633 cc)
- Corruption between private individuals (art. 2635 cc)³⁷
- Incitement to corruption between private individuals (art. 2635-bis of the civil code)³⁸
- Unlawful influence on the meeting (art. 2636 cc)
- Market trading (art. 2637 cc)
- Obstacle to the exercise of the functions of public supervisory authorities (art. 2638, paragraphs 1 and 2, civil code)
- False or omitted declarations for the issuance of the preliminary certificate (art. 54 Legislative Decree 19/2023)³⁹

➤ **Crimes with the aim of terrorism or subversion of the democratic order provided for by the penal code and special laws (Art. 25-quater, Legislative Decree no. 231/2001)⁴⁰**

- Subversive associations (art. 270 criminal code)
- Associations with the aim of terrorism, including international terrorism, or subversion of the democratic order (art. 270 bis of the criminal code)
- Aggravating and mitigating circumstances (art. 270-bis.1 criminal code)⁴¹
- Assistance to members (art. 270 ter cp)
- Recruitment for the purpose of terrorism, including international terrorism (art. 270 quater of the criminal code)
- Organization of transfer for terrorist purposes (art. 270-quater.1)⁴²

³³Article added by Legislative Decree no. 61/2002, modified by Law n. 190/2012, by Law 69/2015, by Legislative Decree no. 38/2017 and by Legislative Decree no. 19/2023

³⁴Article modified by Law n. 69/2015

³⁵Article modified by Law n. 69/2015

³⁶Article added by Law n. 262/2005

³⁷Article added by law n. 190/2012; amended by Legislative Decree no. 38/2017 and by Law no. 3/2019

³⁸Article added by Legislative Decree no. 38/2017 and amended by Law no. 3/2019

³⁹Article added by Legislative Decree no. 19/2023

⁴⁰Article added by Law n. 7/2003

⁴¹Article introduced by Legislative Decree no. 21/2018

⁴²Article introduced by Legislative Decree n. 7/2015, converted, with amendments, by Law no. 43/2015

- Training for activities with the aim of terrorism, including international terrorism (art. 270 quinquies of the criminal code)
- Financing of conduct for terrorist purposes (L. n. 153/2016, art. 270 quinquies.1 cp)
- Subtraction of goods or money subjected to seizure (art. 270 quinquies.2 cp)
- Conducts for the purposes of terrorism (art. 270 sexies of the criminal code)
- Attack for terrorist or subversion purposes (art. 280 criminal code)
- Act of terrorism with deadly or explosive devices (art. 280 bis criminal code)
- Acts of nuclear terrorism (art. 280 ter criminal code)
- Kidnapping for the purpose of terrorism or subversion (art. 289 bis of the criminal code)
- Seizure for the purpose of coercion (art. 289-ter of the criminal code)⁴³
- Incitement to commit any of the crimes envisaged by the first and second counts (art. 302 criminal code)
- Political conspiracy by agreement (art. 304 criminal code)
- Political conspiracy by association (art. 305 penal code)
- Armed gang: training and participation (art. 306 criminal code)
- Assistance to participants in a conspiracy or armed gang (art. 307 of the criminal code)
- Seizure, hijacking and destruction of an aircraft (Law no. 342/1976, art. 1)
- Damage to ground installations (Law no. 342/1976, art. 2)
- Sanctions (Law no. 422/1989, art. 3)
- Active repentance (Legislative Decree no. 625/1979, art. 5)
- New York Convention of 9 December 1999 (art. 2)

➤ **Practices of mutilation of female genital organs** (Art. 25-quater.1, Legislative Decree no. 231/2001)

- Practices of mutilation of female genital organs (art. 583-bis criminal code)

➤ **Crimes against the individual personality** (Art. 25-quinquies, Legislative Decree no. 231/2001)⁴⁴

- Reduction or maintenance in slavery or servitude (art. 600 penal code)
- Child prostitution (art. 600-bis criminal code)
- Child pornography (art. 600-ter criminal code)
- Possession of or access to pornographic material (art. 600-quater)⁴⁵
- Virtual pornography (art. 600-quater.1 criminal code)⁴⁶
- Tourist initiatives aimed at the exploitation of child prostitution (art. 600-quinquies of the criminal code)
- Human trafficking (art. 601 criminal code)⁴⁷
- Purchase and sale of slaves (art. 602 criminal code)

⁴³Article introduced by Legislative Decree 21/2018

⁴⁴Article added by Law n. 228/2003; modified by Law n. 199/2016

⁴⁵Article modified by Law n. 238/2021

⁴⁶Article added by art. 10, L. 6 February 2006 n. 38

⁴⁷Article modified by Legislative Decree 21/2018

- Illicit intermediation and exploitation of labor (art. 603-bis of the criminal code)
- Solicitation of minors (art. 609-undecies of the criminal code)⁴⁸
- **Market abuse crimes** (Art. 25-sexies, Legislative Decree no. 231/2001)⁴⁹
 - Market manipulation (art. 185 Legislative Decree no. 58/1998)⁵⁰
 - Abuse or illicit communication of privileged information. Recommendation or induction of others to commit abuse of privileged information (art. 184 Legislative Decree no. 58/1998)⁵¹
- **Other cases relating to market abuse** (Art. 187-quinquies TUF)⁵²
 - Prohibition of market manipulation (art. 15 EU Reg. no. 596/2014)
 - Prohibition of abuse of privileged information and illicit communication of privileged information (art. 14 EU Regulation no. 596/2014)
- **Crimes of manslaughter and serious or very serious negligent injury, committed in violation of accident prevention regulations and the protection of hygiene and health at work** (Art. 25-septies, Legislative Decree no. 231/2001)⁵³
 - Negligent personal injury (art. 590 penal code)
 - Manslaughter (art. 589 penal code)
- **Receiving, laundering and use of money, goods or benefits of illicit origin, as well as self-laundering** (Art. 25-octies, Legislative Decree no. 231/2001)⁵⁴
 - Receiving stolen goods (art. 648 criminal code)
 - Money laundering (art. 648-bis of the criminal code)
 - Use of money, goods or benefits of illicit origin (art. 648-ter of the criminal code)
 - Self-laundering (art. 648-ter.1 criminal code).

⁴⁸Article modified by Law n. 238/2021

⁴⁹Article added by Law n. 62/2005

⁵⁰Article modified by Legislative Decree 107/2018 and by Law n. 238/2021

⁵¹Article modified by Law n. 238/2021

⁵²Article modified by Legislative Decree 107/2018

⁵³Article added by Law n. 123/2007 and amended L. n. 3/2018

⁵⁴Article added by Legislative Decree no. 231/2007, modified by Law no. 186/2014 and by Legislative Decree no. 195/2021

➤ **Crimes relating to payment instruments other than cash** (Art. 25-octies, Legislative Decree no. 231/2001)⁵⁵

- Undue use and falsification of payment instruments other than cash (art. 493-ter of the criminal code)
- Possession and dissemination of equipment, devices or computer programs aimed at committing crimes involving payment instruments other than cash (art. 493-quater of the criminal code)
- Computer fraud aggravated by the creation of a transfer of money, monetary value or virtual currency (art. 640-ter of the criminal code)
- Fraudulent transfer of values (art. 512-bis)⁵⁶
- Other cases relating to payment instruments other than cash

➤ **Crimes relating to infringement of copyright** (Art. 25-novies, Legislative Decree no. 231/2001)⁵⁷

- Making available to the public, in a system of telematic networks, through connections of any kind, a protected intellectual work, or part of it (art. 171, law n.633/1941 paragraph 1 letter a) BIS)
- Crimes referred to in the previous point committed on the works of others not intended for publication if the honor or reputation is offended (art. 171, law n.633/1941 paragraph 3)
- Illegal duplication, for profit, of computer programs; importation, distribution, sale or possession for commercial purposes or entrepreneurial or leasing of programs contained in media not marked by the SIAE; provision of means to remove or circumvent the protection devices of computer programs (art. 171-bis L. n.633/1941 paragraph 1)
- Reproduction, transfer to another medium, distribution, communication, presentation or demonstration in public of the contents of a database; extraction or reuse of the database; distribution, sale or leasing of databases (art. 171-bis L. n.633/1941 paragraph 2)
- Illegal duplication, reproduction, transmission or public dissemination by any process, in whole or in part, of intellectual works intended for the television, cinema, sale or rental circuit of records, tapes or similar supports or any other support containing phonograms or videograms of similar musical, cinematographic or audiovisual works or sequences of moving images; literary, dramatic, scientific or educational, musical or dramatic musical, multimedia works, even if included in collective or composite works or databases; unauthorized reproduction, duplication, transmission or diffusion, sale or trade, assignment for any reason or illegal importation of more than fifty copies or copies of works protected by copyright and related rights; entry into a computer network system, through connections of any kind, of an

⁵⁵Article added by Legislative Decree 184/2021 and modified by Law no. 137/2023

⁵⁶Article introduced by Law n. 137/2023]

⁵⁷Article added by Law n. 99/2009; modified by Law n. 93/2023



intellectual work protected by copyright, or part thereof (art. 171-ter law n.633/1941)

- Failure to communicate to the SIAE the identification data of the media not subject to the mark or false declaration (art. 171-septies law n.633/1941)
- Fraudulent production, sale, import, promotion, installation, modification, use for public and private use of equipment or parts of equipment suitable for the decoding of audiovisual broadcasts with conditional access carried out over the air, via satellite, via cable, in both analogue and digital form (art. 171-octies law n.633/1941).

➤ **Inducement not to make statements or to make false statements to the judicial authority** (Art. 25-decies, Legislative Decree no. 231/2001)⁵⁸

- Inducement not to make statements or to make false statements to the judicial authorities (art. 377-bis of the criminal code).

➤ **Environmental crimes** (Art. 25-undecies, Legislative Decree no. 231/2001)⁵⁹

- Environmental pollution (art. 452-bis of the criminal code)⁶⁰
- Environmental disaster (art. 452-quater criminal code)⁶¹
- Negligent crimes against the environment (art. 452-quinquies of the criminal code)
- Trafficking and abandonment of highly radioactive material (art. 452-sexies criminal code)
- Aggravating circumstances (art. 452-octies criminal code)
- Killing, destruction, capture, removal, possession of specimens of protected wild animal or plant species (art. 727-bis of the criminal code)
- Destruction or deterioration of habitats within a protected site (art. 733-bis of the criminal code)
- Import, export, possession, use for profit, purchase, sale, exhibition or possession for sale or for commercial purposes of protected species (L. n.150/1992, art. 1, art. 2, art. 3- bis and art. 6)
- Industrial wastewater discharges containing dangerous substances; discharges onto the ground, into the subsoil and into groundwater; discharge into sea waters by ships or aircraft (Legislative Decree no. 152/2006, art. 137)
- Unauthorized waste management activity (Legislative Decree no. 152/2006, art. 256)
- Pollution of the soil, subsoil, surface waters or groundwater (Legislative Decree no. 152/2006, art. 257)
- Illicit waste trafficking (Legislative Decree no. 152/2006, art. 259)

⁵⁸Article added by Law n. 116/2009

⁵⁹Article added by Legislative Decree no. 121/2011, modified by Law no. 68/2015, amended by Legislative Decree no. 21/2018 and amended by Law no. 137/2023

⁶⁰Article modified by Law n. 137/2023

⁶¹Article modified by Law n. 137/2023

- Violation of communication obligations, keeping of mandatory registers and forms (Legislative Decree n.152/2006, art. 258)
- Organized activities for the illicit trafficking of waste (art. 452-quaterdecies of the criminal code)⁶²
- False indications on the nature, composition and chemical-physical characteristics of the waste when preparing a waste analysis certificate; inclusion of a false waste analysis certificate in SISTRI; omission or fraudulent alteration of the paper copy of the SISTRI form - waste transport handling area (Legislative Decree no. 152/2006, art. 260-bis)
- Sanctions (Legislative Decree no. 152/2006, art. 279)
- Intentional pollution caused by ships (Legislative Decree no. 202/2007, art. 8)
- Negligent pollution caused by ships (Legislative Decree no. 202/2007, art. 9)
- Cessation and reduction of the use of harmful substances (Law no. 549/1993 art. 3)

➤ **Employment of third-country nationals whose residence is illegal** (Art. 25-duodecies, Legislative Decree no. 231/2001)⁶³

- Provisions against illegal immigration (art. 12, paragraph 3, 3 bis, 3 ter and paragraph 5, Legislative Decree no. 286/1998)
- Employment of third-country nationals whose residence is illegal (art. 22, paragraph 12 bis, Legislative Decree no. 286/1998)

➤ **Racism and xenophobia** (Art. 25-terdecies, Legislative Decree no. 231/2001)⁶⁴

- Propaganda and incitement to commit crimes for reasons of racial, ethnic and religious discrimination (art. 604-bis of the criminal code)

➤ **Fraud in sports competitions, abusive gaming or betting and gambling using prohibited devices** (Art. 25-quaterdecies, Legislative Decree no. 231/2001)

- Fraud in sporting competitions (art. 1, Law no. 401/1989)
- Illegal exercise of gaming or betting activities (art. 4, Law no. 401/1989)

➤ **Tax crimes** (Art. 25-quinquiesdecies, Legislative Decree no. 231/2001)⁶⁵

- Fraudulent declaration through use of invoices or other documents for non-existent transactions (art. 2 Legislative Decree no. 74/2000)
- Fraudulent declaration using other devices (art. 3 Legislative Decree no. 74/2000)

⁶²Article added by Legislative Decree no. 21/2018

⁶³Article added by Legislative Decree no. 109/2012, amended by Law 17 October 2017 n. 161 and by Legislative Decree n. 20/2023

⁶⁴Article added by Law 20 November 2017 n. 167, modified by Legislative Decree no. 21/2018

⁶⁵Article added by Law n. 157/2019 and by Legislative Decree no. 75/2020

- Issue of invoices or other documents for non-existent operations (art. 8 Legislative Decree no. 74/2000)
- Concealment or destruction of accounting documents (art. 10 Legislative Decree no. 74/2000)
- Fraudulent subtraction from the payment of taxes (art. 11 Legislative Decree no. 74/2000)
- Unfaithful declaration (art. 4 Legislative Decree no. 74/2000)
- Failure to declare (art. 5 Legislative Decree no. 74/2000)
- Undue compensation (art. 10-quater Legislative Decree no. 74/2000)

➤ **Smuggling** (Art. 25-sexiesdecies, Legislative Decree no. 231/2001)⁶⁶

- Smuggling in the movement of goods across land borders and customs areas (art. 282 Presidential Decree no. 43/1973)
- Smuggling in the movement of goods in border lakes (art. 283 Presidential Decree no. 43/1973)
- Smuggling in the maritime movement of goods (art. 284 Presidential Decree no. 43/1973)
- Smuggling in the movement of goods by air (art. 285 Presidential Decree no. 43/1973)
- Smuggling in non-customs zones (art. 286 Presidential Decree no. 43/1973)
- Smuggling for undue use of goods imported with customs relief (art. 287 Presidential Decree no. 43/1973)
- Smuggling in customs warehouses (art. 288 Presidential Decree no. 43/1973)
- Smuggling in cabotage and traffic (art. 289 Presidential Decree no. 43/1973)
- Smuggling in the export of goods eligible for refund of rights (art. 290 Presidential Decree no. 43/1973)
- Smuggling in temporary import or export (art. 291 Presidential Decree no. 43/1973)
- Smuggling of foreign manufactured tobacco (art. 291-bis Presidential Decree no. 43/1973)
- Aggravating circumstances of the crime of smuggling foreign manufactured tobacco (art. 291-ter Presidential Decree no. 43/1973)
- Criminal association aimed at smuggling foreign manufactured tobacco (art. 291-quater Presidential Decree no. 43/1973)
- Other cases of smuggling (art. 292 Presidential Decree no. 43/1973)
- Aggravating circumstances of smuggling (art. 295 Presidential Decree no. 43/1973)

➤ **Crimes against cultural heritage** (Art. 25-septiesdecies, Legislative Decree no. 231/2001) ⁶⁷

- Theft of cultural property (art. 518-bis criminal code)
- Misappropriation of cultural property (art. 518-ter of the criminal code)

⁶⁶ Article added by Legislative Decree no. 75/2020

⁶⁷ Article added by L. n. 22/2022

- Receipt of cultural goods (art. 518-quater criminal code)
- Falsification of private documents relating to cultural assets (art. 518-octies of the criminal code)
- Violations regarding the alienation of cultural property (art. 518-novies criminal code)
- Illicit import of cultural goods (art. 518-decies criminal code)
- Illicit exit or export of cultural goods (art. 518-undecies criminal code)
- Destruction, dispersion, deterioration, disfigurement, soiling and illicit use of cultural or landscape assets (art. 518-duodecies of the criminal code)
- Counterfeiting of works of art (art. 518-quaterdecies criminal code)

➤ **Laundering of cultural assets and devastation and looting of cultural and landscape assets** (Art. 25-duodecies, Legislative Decree no. 231/2001)⁶⁸

- Laundering of cultural goods (art. 518-sexies criminal code)
- Devastation and looting of cultural and landscape assets (art. 518-terdecies of the criminal code).

➤ **Transnational crimes** (Law no. 146/2006)

- Provisions against illegal immigration (art. 12, paragraphs 3, 3-bis, 3-ter and 5, of the consolidated text referred to in Legislative Decree 25 July 1998, no. 286)
- Association aimed at illicit trafficking of narcotic or psychotropic substances (art. 74 of the consolidated text referred to in the Presidential Decree of 9 October 1990, n. 309)
- Criminal association aimed at smuggling foreign manufactured tobacco (art. 291-quater of the consolidated act referred to in the Presidential Decree of 23 January 1973, n. 43)
- Inducement not to make statements or to make false statements to the judicial authority (art. 377-bis of the criminal code)
- Personal aiding and abetting (art. 378 criminal code)
- Criminal association (art. 416 criminal code)
- Mafia-type associations, including foreign ones (art. 416-bis of the criminal code).

Furthermore, according to art. 4 of the Decree, the entity can be held accountable in Italy in relation to crimes - covered by the same Decree - committed abroad.

The assumptions on which the entity's liability for crimes committed abroad is based are the following:

⁶⁸ Article added by L. n. 22/2022

- the crime must be committed by a person functionally linked to the entity, pursuant to art. 5, paragraph 1, of the Decree;
- the entity must have its main headquarters in the territory of the Italian State;
- the entity can respond only in the cases and under the conditions provided for by the articles. 7, 8, 9, 10 cp (in cases where the law provides that the guilty person - a natural person - is punished at the request of the Minister of Justice, proceedings are taken against the entity only if the request is also made against the entity itself) and, also in compliance with the principle of legality referred to in the art. 2 of the Decree, only in relation to crimes for which specific responsibility is foreseen;
- if the cases and conditions referred to in the aforementioned articles of the penal code exist, the authorities of the state of the place where the crime was committed shall not take action against the entity.

The administrative liability of the entity also arises in the event of an attempt to commit one of the crimes envisaged by the Decree as a source of liability. In the cases of attempted commission of crimes sanctioned on the basis of the Decree, the pecuniary sanctions (in terms of amount) and disqualification sanctions (in terms of duration) are reduced by one third to one half.

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

As anticipated, pursuant to article 5 of the Decree, " *the entity is responsible for crimes committed in its interest or to its advantage* "; that is, the entity is liable if it has obtained benefits for the company from the illegal activity. The entity, however, will not be liable if the perpetrators of the crime have acted in their own exclusive interest or that of third parties. Furthermore, again pursuant to the aforementioned article 5 of the decree,



significant actions must be implemented:

- a) by people who hold representation, administrative or management functions of the entity or of one of its organizational units with its own financial and functional autonomy as well as by people who exercise, even de facto, the management and control of the same;
- b) by persons subject to the management or supervision of one of the subjects indicated in the previous letter a).

This does not mean, however, that the entity must always and in any case be held accountable for the commission of the Crime. It was deemed appropriate to allow the organization to demonstrate in advance its non-involvement in relation to the Crime ⁶⁹. To this end, the adoption of behavioral models specifically calibrated to the risk of crime is required, i.e. aimed at preventing, through the establishment of rules of conduct, the commission of certain crimes.

An indispensable requirement for the adoption of the model to result in the entity's exemption from liability is that it is effectively implemented.

In other words, the specific culpability of the entity will arise when the crime committed by one of its bodies or subordinates is part of an entrepreneurial decision or when it is a consequence of the fact that the entity itself has not equipped itself with an organizational model suitable for prevent crimes of the type that have occurred or that there has been omission or insufficient supervision in this regard by bodies with control power ⁷⁰.

From this perspective, article 6 of the Decree establishes that the entity is not held accountable for the offense if it demonstrates that it has adopted and effectively implemented, before the commission of the crime, "*organization and management models suitable to prevent crimes of the type that occurred*".

⁶⁹TO . FILIPPINI , *Obligations following the entry into force of Legislative Decree 231/2001* .

⁷⁰ G. FIANDACA, E. MUSCO , *Criminal Law General Part* , Zanichelli Editore, fourth edition .



The same regulation also provides for the establishment of a " *Supervisory Body within the entity*" with the task of supervising the functioning, effectiveness and observance of the aforementioned model, as well as ensuring its updating.

The organizational models must therefore respond to the following needs:

- Identify Activities at risk of crime;
- Provide specific protocols for the prevention of crimes;
- Identify, for the purpose of crime prevention, the methods for managing financial resources;
- Provide information obligations to the body responsible for monitoring the functioning and compliance with the models;
- Establish reporting systems (whistleblowing) compliant with current legislation;
- Introduce an internal disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model.

In conclusion, in the event of crimes committed by senior staff, the organization will not be liable if it proves that:

- (i) the management body has adopted and effectively implemented, before the commission of the crime, an organization and management model suitable for preventing crimes of the type that occurred;
- (ii) the task of supervising the functioning and observance of the model and of ensuring its updating has been entrusted to a body of the organization with autonomous powers of initiative and control (Supervisory Body), which in small-sized entities may coincide with the governing body itself;
- (iii) there has been no omitted or insufficient supervision by the Supervisory Body regarding the model;
- (iv) the subjects have committed the Crime by fraudulently evading the model.

In the event that, however, the Crime was committed by subjects subject to the



management or supervision of Top Personnel, the entity will be responsible for the Crime only if there has been a deficiency in the management and supervision obligations and this deficiency will be excluded if the The entity will have adopted, before the commission of the crime, an organisation, management and control model suitable for preventing crimes of the type that occurred ⁷¹.

⁷¹ There is, therefore, no reversal of the burden of proof required for top management personnel: in the case in question it will be the public prosecution body that will have to prove that the organization had not adopted the required organizational model in time.

1.3. The Guidelines issued by the trade associations

The art. 6 of the Decree provides that the organization and management models can be adopted on the basis of codes of conduct drawn up by the associations representing the entities, communicated to the Ministry of Justice ⁷².

In light of the above, the Company, in preparing this document, took into account the Guidelines prepared by Confindustria (and updated first to July 2014 and subsequently to June 2021).

It is understood that any divergences of the Model adopted by the Company with respect to certain specific indications set out in the Guidelines do not affect its fundamental correctness and validity. These Guidelines, in fact, by their nature, have a general nature, whereas the Model must be prepared with reference to the concrete reality of the Company.

1.4. Lo.Li . Pharma International Srl

LO.LI. Pharma International is the international echo of the LO.LI reality. Pharma.

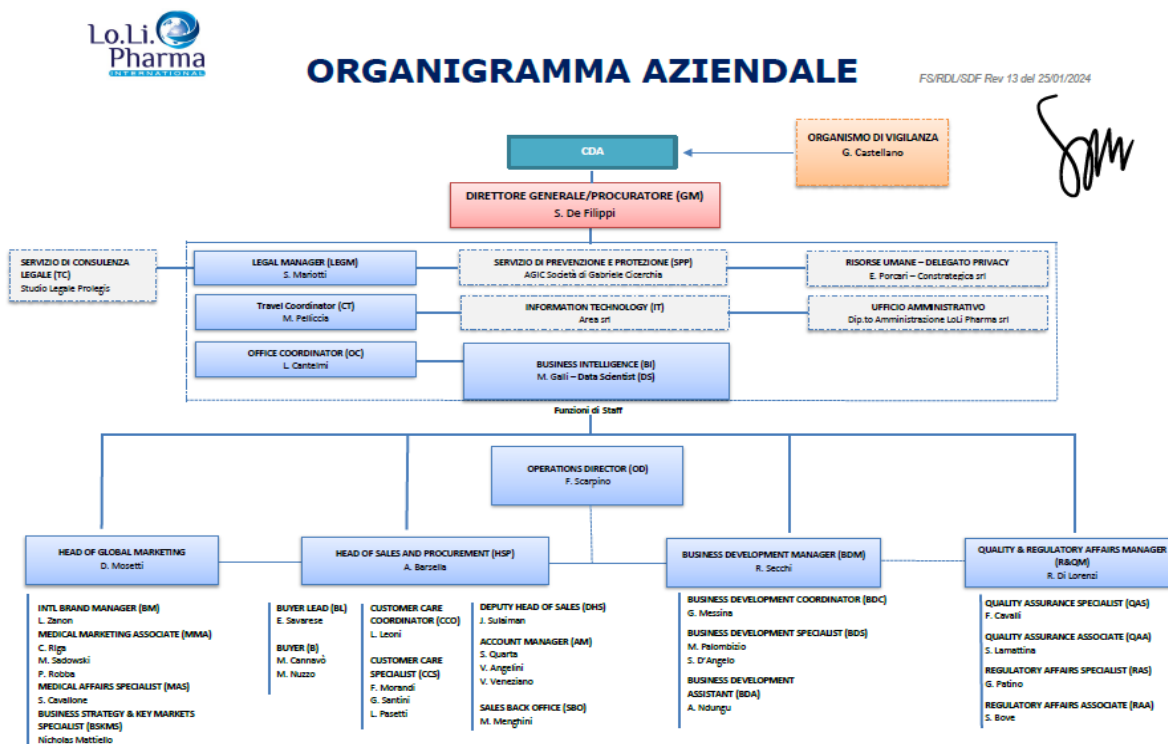
Founded in 2012, its core business is the selection of the best commercial partners to distribute LO.LI products. Pharma globally.

From the signing of the contract to the finished product, the LO.LI. team Pharma International follows its customers step by step, offering them scientific training, strategic marketing planning, regulatory and logistical support.

To date, LO.LI. products Pharma are distributed in more than 42 countries around the world.

⁷² The Ministry of Justice, in agreement with the competent Ministries, may formulate observations within thirty days on the suitability of the models to prevent crimes.

1.4.1. Organization chart



1.5. The Governance of the Company

The Company's Governance model aims to formalize the system of values it intends to promote by creating a suitable and exemplary organizational structure.

traditional "administration and control (governance) system by statute .

The Company's statute provides for the following Corporate Bodies:

- the Shareholders' Meeting (a body with exclusively deliberative functions, whose competences are by law limited to the most important decisions in social life, with the exclusion of management competences);
- the Board of Directors (which is responsible for the strategic supervision and management of the company);



- Sole Auditor (with control functions over the administration of the Company).

strategic supervision function refers to the determination of strategic corporate directions and objectives and the verification of their implementation.

The management function consists of conducting company operations aimed at implementing said strategies.

The strategic supervision and management functions, which jointly concern the administration of the company, are based on the Board of Directors and its delegated bodies.

control function consists of verifying the regularity of the administration activity and the adequacy of the Company's organizational and accounting structures.

1.5.1. Shareholders' Meeting

The Shareholders' Meeting is in a top position, a decisive moment in which the strong-willed capacity of the shareholder is manifested and in which the ownership dialectic determines the decisive choices for the realization of the company's interests.

The members decide on the matters reserved to their competence by the law, by this Statute, as well as on the matters that one or more Directors and many members representing at least one third of the share capital submit for their approval.

The Company's Articles of Association provide that the following are in any case reserved to the competence of the members:

- a) approval of the budget and distribution of profits;
- b) the appointment of the Directors and the structure of the Administrative Body;
- c) the appointment of the Auditors and the President of the Board of Auditors or the auditor;
- d) the amendments to the Statute,
- e) the decision to carry out extraordinary operations that involve a substantial

modification of the corporate purpose or a significant modification of the rights of the shareholders;

- f) the appointment of liquidators and the criteria for carrying out the liquidation.

For anything not provided for in the Statute, the provisions of the law apply.

The meeting must be convened by the Administrative Body even outside the registered office, provided that it is in Italy. In the event of the impossibility of all the Directors or their inactivity, the meeting may be convened by the Supervisory Body, if appointed, or even by a shareholder. The meeting is convened by registered letter sent to the Members at least 8 days before the date set for the meeting, at the address listed in the Companies Register or by any other means suitable to ensure proof of receipt. The meeting notice must indicate the place, day and time of the meeting and the list of matters to be discussed.

In any case, the resolution is considered adopted when the entire share capital participates in it and all the Directors and Auditors, if appointed, are present or informed of the meeting and no one objects to the discussion of the topic. If the Directors or Auditors, if appointed, do not personally participate in the meeting, they must issue a specific written declaration, to be kept in the Company's records, in which they declare that they are informed of the meeting and of all the topics on the agenda and of do not oppose the treatment of the same.

The meeting is chaired by the President of the Board of Directors or by a person designated by those present.

It is up to the President of the meeting to verify the regular constitution of the same, ascertain the identity and legitimacy of those present, direct and regulate the proceedings of the meeting and proclaim the results of the votes. The meeting can also take place in multiple places, audio and/or video connected, under the conditions and in the manner established by the Statute, to which reference should be made.

The resolutions must be recorded in minutes signed by the President and the Secretary,



if appointed, or by the Notary. The Statute provides for the mandatory contents of the minutes, which, even if drawn up as a public deed, must be transcribed, without delay, in the members' decision book.

The meeting is regularly constituted with the presence of many members representing at least half of the share capital and decides by absolute majority. In the cases provided for by numbers 4) and 5 of the second paragraph of the art. 2479 cc the assembly decides with the favorable vote of the shareholders who represent half of the share capital.

The Statute is without prejudice to other legal provisions or provisions thereof which, for particular decisions, require different specific majorities.

1.5.2. Board of Directors

The Board of Directors, currently made up of three members, is the body with a strategic supervision function, in which the functions of directing and/or supervising corporate management are concentrated (for example, through examination and resolution regarding industrial plans or financial or strategic operations of the Company) ⁷³.

The Board of Directors is entrusted with the management of the company and the Directors are responsible for carrying out all the operations necessary to achieve the corporate purpose ⁷⁴.

The members of the board of directors are elected by the Assembly, even among non-members, and remain in office until revocation or resignation or for the period determined by the members at the time of appointment.

The Board of Directors, if the members have not done so at the time of appointment, elects a President from among its members.

The Board meets at the registered office or elsewhere, as long as it is in Italy. Council meetings can also be held via audio conference or video conference, under the conditions set out in the Statute . The meeting takes place by means of a notice sent to all Directors, Statutory Auditors and Auditors if appointed, by any means suitable to ensure proof of

⁷³Article 2381 of the Civil Code.

⁷⁴Article 2380 *bis* of the civil code.

receipt, at least three days before the meeting and, in cases of urgency, at least one day before.

For the validity of the resolutions of the Board of Directors, the actual presence of the majority of its members in office is required; resolutions are taken with the absolute majority of votes of those present. Minutes will be drawn up of the resolutions of the meeting signed by the President and the Secretary, if appointed, which must be transcribed in the directors' decision book.

Directors are entitled to reimbursement of expenses incurred for reasons of their office. The shareholders can also assign to the Directors a fixed annual indemnity or a compensation proportional to the net profits for the year, as well as determine an indemnity for the termination of the office and decide on the allocation for the relevant retirement fund in the manner established with the decision of the members.

The Council validly decides with the attendance and majorities required by article 2388 of the civil code ⁷⁵.

1.5.3. President of the Board of Directors and CEO

The Chairman of the Board of Directors carries out an important function aimed at promoting dialectics within the Board and between corporate bodies and at ensuring the balance of powers, consistently with the tasks of organizing the work of the Board itself and circulating information , which are attributed to him by the statute and the civil

⁷⁵ Article 2388 - Validity of the resolutions of the Board of Directors: for the validity of the resolutions of the board of directors, the presence of the majority of the directors in office is necessary, when the statute does not require a greater number of those present. The statute may provide that presence at board meetings also takes place via telecommunications means.

The resolutions of the board of directors are taken by an absolute majority of those present, unless otherwise provided in the statute.

The vote cannot be given by representation.

Resolutions that are not taken in compliance with the law or the statute can only be challenged by the board of auditors and absent or dissenting directors within ninety days from the date of the resolution; Article 2378 applies to the extent compatible. Resolutions which are harmful to their rights may also be challenged by members; in this case, articles 2377 and 2378 apply, to the extent compatible.

In any case, rights acquired in good faith by third parties on the basis of actions carried out in execution of the resolutions remain unaffected.

code. The President convenes the Board of Directors, sets the agenda, coordinates its work and ensures that all directors are adequately informed on the matters to be discussed.

The President of the Board of Directors represents the Company before third parties.

The President is responsible for safeguarding the company's assets and name by defining company strategies, sizing the company structure and creating the availability for the acquisition of resources, issuing delegations to company functions, signing contracts and proposing corrective actions and monitoring their implementation. .

For details of all the powers assigned to the Chairman of the Board of Directors, please refer to the Company's company profile.

1.5.4. Managing Director for Administration and Accounting

Furthermore, a managing director was appointed with specific powers relating to the administrative, accounting, fiscal and tax management of the Company, granting him the representation of the Company, with reference to the exercise of the aforementioned powers.

For details of all the powers assigned to the Chief Executive Officer, please refer to the Company Certificate.

1.5.5. Managing Director for Finance, Trademarks and Patents

Furthermore, a delegated councilor has been appointed with specific powers for the protection of trademarks, copyrights, domain names, patents for inventions, for utility or ornamental models, designs and in general any other industrial or intellectual property on which the Company has rights of any kind , granting him the representation of the Company, with reference to the exercise of the aforementioned powers.

For details of all the powers assigned to the Chief Executive Officer, please refer to the



Company Certificate.

1.5.6. General manager

Pursuant to art. 17, fourth paragraph of the Statute, the Administrative Body has appointed a General Director who has been granted various powers for which reference should be made to the Company's company certificate.

Furthermore, the General Director has been identified as the Employer pursuant to art. 2, paragraph 1, letter. b), Legislative Decree 231/2001 and Delegate for the Environment, pursuant to Legislative Decree 152/2006.

1.5.7. Sole Mayor

The Sole Auditor supervises the observance of the laws, regulations and statutes, the correct administration, the adequacy of the organizational and accounting structures of the Company. The Mayor can at any time proceed, even individually, with inspection and control measures.

The Sole Auditor is responsible for supervising the functionality of the overall internal control system. Given the plurality of company functions and structures with control tasks and responsibilities, this body is required to ascertain the effectiveness of all the structures and functions involved in the control system and the adequate coordination of the same, promoting corrective measures for deficiencies and of the irregularities detected.

1.5.8. Supervisory body

The Supervisory Body is the internal body of the entity envisaged by article 6 of Legislative Decree 231/2001.

The Supervisory Body has the task of supervising:



- on the effectiveness and adequacy of the Model in relation to the company structure and the actual ability to prevent the commission of Crimes;
- on compliance with the provisions of the Model by the Corporate Bodies, Employees and other Recipients, in the latter case also through the competent corporate functions;
- on the opportunity to update the Model itself, where there are needs to adapt it in relation to changed company and/or regulatory conditions.

The members of the Supervisory Body are appointed by the Board of Directors and remain in office for one year, unless renewed.

For further details and information in this regard, please refer to the last chapter of this document and to the regulation of the Supervisory Body.

1.6. Sanctioning apparatus of the Decree

The sanctioning system of the Decree is centered on pecuniary sanctions and disqualification sanctions ⁷⁶.

1.6.1. Financial penalties

Differently from what is foreseen in the rest of the penal and administrative system, the pecuniary sanction is determined by the criminal judge through a system based on "quotas" of no less than one hundred and no more than one thousand and of an amount varying between a minimum of €258, 22 to a maximum of €1549.37.

Each offense provides for a minimum and maximum quota, the commensuration of which in the specific case is left to the judge, who will establish:

- the number of shares, taking into account the seriousness of the fact, the degree of responsibility of the company as well as the activity carried out to eliminate or

⁷⁶ Articles 9-23 and art. 25, co. 5, of THE DECREE.

mitigate the consequences of the fact and to prevent the commission of further offences;

- the amount of the single quota, based on the economic and financial conditions of the company.

The administrative sanction for crime is applied by the criminal judge or by the judge competent to judge the perpetrator of the criminally relevant illicit act; by the administrative authority, in cases in which the entity is liable for the administrative offense committed " *in its interest or to its advantage* ".

If the entity's liability is established, the financial penalty is always applied.

Some cases of reduction of the pecuniary sanction are foreseen: a) if the perpetrator of the crime has committed the act in his own prevailing interest or that of third parties and the entity has not obtained an advantage from it or has obtained a minimal advantage from it; b) when the damage caused is particularly minor.

Furthermore, the pecuniary sanction deriving from the crime is reduced by one third to one half if, before the opening declaration of the first degree hearing, the entity has fully compensated the damage or has eliminated the harmful or dangerous consequences of the crime or has used in this sense; or even if a suitable model has been adopted to prevent the commission of further crimes.

In the case of the crimes referred to in art. 25- *sexies* of the Decree and administrative offences, if the product or profit achieved by the entity is of a significant amount, the pecuniary sanction is increased up to ten times that product or profit.

1.6.2. Interdictory sanctions

Disqualification sanctions are applied in addition to financial sanctions and constitute the most significant punitive reactions.

These sanctions can have a duration of no less than three months and no more than two years and can only concern "the specific activity to which the entity's offense refers" ⁷⁷.

For some types of crime, ⁷⁸more severe disqualifying sanctions have been envisaged:

- If the crime was committed by one of the subjects in a top position, disqualification sanctions are applied for a duration of no less than four years and no more than seven years;
- If the crime was committed by one of the subjects subject to the direction of another, disqualification sanctions are applied for a duration of no less than two years and no more than four;
- If, before the first degree sentence, the entity has effectively worked to prevent the criminal activity from leading to further consequences, to ensure proof of the crimes and to identify those responsible or to seize sums or other transferred utilities and has eliminated the organizational deficiencies that led to the crime through the adoption and implementation of organizational models suitable for preventing crimes of the type that occurred, disqualification sanctions are applied for a duration of no less than three months and no more at two years.⁷⁹

The disqualifying sanctions provided for by the Decree are:

- the ban, temporary or permanent, from carrying out the activity;
- the suspension or revocation of authorisations, licenses or concessions functional to the commission of the offence;
- the ban on contracting with the public administration, except to obtain the performance of a public service;
- exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted;
- the temporary or permanent ban on advertising goods or services.

⁷⁷ Art. 14, paragraph 1, of THE DECREE.

⁷⁸Reference is made to the types of crime explicitly provided for in the art. 25, co.2 and 3, of THE DECREE .

⁷⁹ Amendment introduced by Law no. 3 of 9 January 2019.

Interdictory sanctions apply only in the cases expressly provided for and provided that at least one of the following conditions is met:

- the company derived a significant profit from the commission of the crime and the crime was committed by individuals in top positions or by individuals subject to the direction of others when, in the latter case, the commission of the crime was determined or facilitated by serious organizational deficiencies;
- in case of repetition of the offences ⁸⁰.

The judge determines the type and duration of the disqualification sanction taking into account the suitability of the individual sanctions to prevent offenses of the type committed and, if necessary, can apply them jointly ⁸¹.

Disqualifying sanctions are normally *temporary* but can exceptionally be applied *with definitive effects*. In particular, the sanctions of the ban from carrying out the activity, the ban on contracting with the public administration and the ban on advertising goods or services can be applied - in the most serious cases - definitively ⁸². Furthermore, we note the possible continuation of the company's activity (instead of the imposition of the sanction) by a commissioner appointed by the judge pursuant to and under the conditions set out in art. 15 of the Decree⁸³ or by a commissioner already appointed as part of the extraordinary administration procedure ⁸⁴.

⁸⁰ Art. 13, paragraph 1, letters a) and b) of THE DECREE. In this regard, see also art. 20 of the DECREE, pursuant to which "Repetition occurs when the entity, already definitively convicted at least once for an offense resulting from a crime, commits another in the five years following the definitive conviction." Regarding the relationship between the norms mentioned above, see De Marzo, *op. cit.*, 1315: "As an alternative, with respect to the requirements referred to in the letter. a) [of the art. 13, ed.], the letter. b) identifies, as a prerequisite for the application of the disqualifying sanctions expressly provided for by the legislator, the repetition of the offences. Pursuant to art. 20, reiteration occurs when the entity, already definitively convicted at least once for an offense resulting from a crime, commits another in the five years following the definitive conviction. In this case, the commission of the crimes despite the intervention of a conviction which has, in a now irrevocable way, sanctioned the previous violation of the law, demonstrates the indicated propensity or tolerance towards the commission of the crimes, without it being necessary to dwell on the extent of the profit achieved and on the analysis of the organizational models adopted. What emerges in any case is the awareness that the ordinary pecuniary sanctioning system (and possibly also disqualification, if the conditions referred to in letters a) or b) of the art. 13, paragraph 1) was not able to operate as an effective deterrent with respect to an action disrespectful of the fundamental canon of legality".

⁸¹ Art. 14, paragraph 1 and paragraph 3, of THE DECREE.

⁸² See, in this regard, the art. 16 of THE DECREE.

⁸³ Art. 15 of THE DECREE.

⁸⁴ Art. 15 of THE DECREE established by Law no. 2/2023.

The judge, at the request of the public prosecutor, can apply disqualifying sanctions to the entity also as a *precautionary measure*, if there are serious indications of the entity's responsibility and there are well-founded and specific elements such as to suggest that there is a real danger that the company's offenses will be committed. same nature as that for which one proceeds.

The interdictory sanctions, however, do not apply (or are revoked, if already applied on a precautionary basis) if the entity - before the opening declaration of the first instance hearing:

- has compensated for the damage, or has repaired it;
- has eliminated the harmful or dangerous consequences of the crime (or, at least, has done so);
- has made the proceeds of the crime available to the judicial authority for confiscation;
- has eliminated the organizational deficiencies that led to the crime, adopting organizational models suitable for preventing the commission of new crimes.

If all these behaviors occur - considered as active repentance - instead of the disqualification sanction, the pecuniary penalty will be applied.

1.6.3. Other sanctions

In addition to the financial penalty and the disqualification sanctions, the Decree provides for two other sanctions ⁸⁵:

⁸⁵ When the conditions provided for by the art. 15 of THE DECREE as well as articles 3, 10, 11 of Law no. 16 March 2006. 146, if the conditions exist for the application of a disqualifying sanction which determines the interruption of the activity of the entity, the judge, instead of applying the sanction, orders the continuation of the activity of the entity by a commissioner for a period equal to the duration of the disqualification sentence that would have been applied.

- confiscation (and preventive seizure as a real precautionary measure), which consists in the acquisition by the State of the *price* or *profit* of the crime (or, when it is not possible to carry out the confiscation directly on the price or profit of the crime, in the apprehension of sums of money, goods or other benefits of equivalent value to the price or profit of the crime);
- the publication of the conviction sentence in the event of application of a disqualifying sanction, which consists in the publication of the conviction only once, in extract or in full, at the expense of the entity, in one or more newspapers indicated by the judge in the sentence, as well as by posting in the municipality where the organization has its headquarters.

1.7. Events modifying the institution

Transformation of the entity (Art. 28 of the Decree)

In the case of transformation of the entity, the responsibility for crimes committed before the date on which the transformation took effect remains unchanged.

Merger of the entity (Art. 29 of the Decree)

In the case of a merger, even by incorporation, the resulting entity is liable for the crimes for which the entities participating in the merger were responsible.

Split of the entity (Art. 30 of the Decree)

In the case of a partial split, the liability of the split entity remains unaffected for crimes committed before the date on which the split took effect, except in the case of a disqualifying sanction which will apply to the entity to which it remained or was transferred, even in part, the branch of activity within which the branch of activity the crime was committed.

The entities benefiting from the split, whether total or partial, are jointly and severally obliged to pay the pecuniary sanctions due by the split entity for crimes committed before the date from which the split took effect. The obligation is limited to the actual

value of the net assets transferred to the individual entity, unless it is an entity to which the branch of activity within which the crime was committed has also been transferred in part.

Determination of sanctions in the event of a merger or split (Article 31 of the Decree)

If the merger or split occurred before the conclusion of the proceedings, the judge, when assessing the financial penalty, takes into account the economic and financial conditions of the entity originally responsible.

The entity resulting from the merger and the entity to which, in the event of a split, the disqualification sanction is applicable, may ask the judge to replace it with the pecuniary sanction, if, following the merger or split, the following conditions occur: :

- a) the entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the crime or has in any case effectively taken action in this direction;
- b) the entity has eliminated the organizational deficiencies that led to the crime through the adoption and implementation of organizational models suitable for preventing crimes of the type that occurred;
- c) the entity made the profit achieved available for confiscation purposes.

If the judge accepts the request, in pronouncing a conviction, he replaces the disqualification sanction with a pecuniary sanction of an amount equal to one to two times that of the pecuniary sanction inflicted on the entity in relation to the same crime.

This remains without prejudice to the entity's right, even in cases of merger or split following the conclusion of the proceedings, to request the conversion of the disqualification sanction into a pecuniary sanction.

Relevance of the merger or split for the purposes of reiteration (Article 32 of the Decree)

In cases of liability of the entity resulting from the merger or beneficiary of the split for crimes committed after the date from which the merger or split took effect, the judge may consider the reiteration (art. 20 of the Decree) also in relation to sentences



pronounced against the entities participating in the merger or the split entity for crimes committed before that date.

To this end, the judge takes into account the nature of the violations and the activity within which they were committed as well as the characteristics of the merger or demerger.

With respect to the entities benefiting from the demerger, the reiteration can only be considered if the branch of activity within which the crime for which the conviction was pronounced against the demerged entity was committed has been transferred to them , even in part. .

Company transfer (Article 33 of the Decree)

In the case of transfer of the company in whose activity the crime was committed, the transferee is jointly and severally obliged, without prejudice to the benefit of preventive enforcement by the transferring entity and within the limits of the value of the company, to pay the pecuniary sanction.

The transferee's obligation is limited to the pecuniary sanctions resulting from the mandatory accounting books, or due for administrative offenses of which he was in any case aware.

The aforementioned provisions also apply in the case of company transfer.

1.8. Further organizational aspects required by the Model

In preparing and updating the Model, the legislation, procedures and control systems existing and already in operation were first of all taken into account, as they are also suitable as measures for the prevention of crimes and illicit behavior in general, including those envisaged by Legislative Decree no. 231/2001.



The Company's bodies have dedicated and continue to dedicate the utmost care in defining and updating the organizational structures and operating procedures, both for the purpose of ensuring efficiency, effectiveness and transparency in the management of activities and in the attribution of related responsibilities, and for the purpose to reduce dysfunctions, malfunctions and irregularities to a minimum (which also includes illegal behavior or behavior not in line with what is indicated by the Company).

The organizational context of the Company is made up of the set of rules, structures and procedures that guarantee the functioning of the Company itself.

As specific tools already existing and aimed at planning the formation and implementation of corporate decisions and carrying out controls on business activity, also in relation to the crimes and offenses to be prevented, the Company has identified:

- the corporate governance rules adopted in implementation of the relevant corporate and regulatory legislation;
- the system of powers and delegations;
- the Code of Ethics;
- Codes of conduct;
- 231 Preventive Protocols and Company Procedures.

The rules, procedures and principles referred to in the tools listed above are not transcribed in this Model, but are part of it, as substantial elements of the broader organisation, management and control system which it intends to integrate and which all Recipients, both internal and external, are required to respect, in relation to the type of relationship existing with the Company.

2. RESPONSIBILITY FOR THE APPROVAL, TRANSPOSITION, INTEGRATION AND IMPLEMENTATION OF THE MODEL



Pursuant to article 6, paragraph 1, letter. a) of the Decree, the adoption and effective implementation of the Model constitute acts of competence and enactment of the corporate executive top management ⁸⁶.

The Board of Directors therefore has the responsibility and therefore the power to approve, integrate and modify, by means of a specific resolution, the principles and provisions set out in the Model (General Part and Special Part) and in the related annexes, the latter of which constitute an integral and substantial part of the Model adopted by the Company.

Decisions regarding subsequent modifications and additions to the Model will also be the responsibility of the Company's Board of Directors, albeit at the request of the Supervisory Body, in accordance with the provisions set out below.

Changes to individual Preventive Protocols (procedures, codes of conduct, regulations, etc.), as well as the insertion of new ones, with the consequent updating of the Risk Management Plan (see § 4.3), can be approved by the Board of Directors, based on the system of powers in force at the time. We refer, in particular, to those interventions necessary for the implementation of regulatory or organizational updates.

In any case, the updated documents must subsequently be presented to the first available Board of Directors, or possibly called for this purpose, for appropriate evaluation by all the Directors. The Board of Directors will be free to take note of the changes, ratifying them, or may alternatively approve them with changes or revoke the provisions.

It will be the responsibility of the Board of Directors to take action and act for the implementation of the Model, through evaluation and approval of the actions necessary

⁸⁶From this perspective, by " *managing body* " we mean the Board of Amministrazione (see for all in doctrine, FABRIZIO BAVA, *The administrative responsibility of the company and the identification of the Supervisory body*, in *Impresa ci*, n. 12/ 2002, p. 1903; The *ADMINISTRATIVE responsibility of legal entities*, in *Fisco n. AIGI (VARIOUS AUTHORS)*, *Organizational models pursuant to Legislative Decree 231/2001*, Giuffrè, 2005, p. 276.



for the implementation of the fundamental elements of the same. To identify such actions, the same will make use of the support and reports of the Supervisory Body.

The Board of Directors must also guarantee the implementation and effective compliance with the Protocols in the company areas "at risk of crime", also in relation to future adaptation needs.

To this end, the Board of Directors avails itself of:

- of the managers of the various organizational structures of the Company in relation to the Activities at risk of crime carried out by them;
- of the Supervisory Body, which is granted autonomous powers of initiative and control over activities at risk of crime.

3. THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL

3.1. Salient features of the Model

The Company has deemed it appropriate to adopt a specific organisation, management and control Model pursuant to the Decree, in the belief that this constitutes, as well as being a valid tool for raising awareness of all those who operate in the interest or to the advantage of the Company, so that they behave correctly and linear, also an effective means of prevention against the risk of committing crimes and administrative offenses envisaged by the relevant legislation.

In particular, through the adoption and constant updating of the Model, the Company aims to:

- create awareness in all those who operate on behalf of the Company itself in the context of "sensitive activities" (i.e. those in the context of which, by their nature, the crimes referred to in the Decree can be committed), of being able to incur, in case of violation of the provisions given on the matter, in disciplinary and/or contractual consequences, as well as in criminal and administrative sanctions that can be imposed against them;

- reconfirm that these forms of illicit behavior are in any case contrary - in addition to the provisions of the law - also to the ethical principles which the Company intends to adhere to in the exercise of its corporate activity and, as such, they are strongly condemned (even in the event that the Company was apparently in a position to take advantage of it);
- intervene promptly in order to prevent or hinder the commission of crimes and sanction behavior contrary to its Model and this above all thanks to monitoring activities on risk areas.

Consequently, the Board of Directors believes that the adoption and effective implementation of the Model must not only allow the Company to benefit from the exemption provided for by Legislative Decree 231/2001, but must aim to improve *Corporate Governance*, limiting the risk of commission of Crimes.

It is also the belief of the Board of Directors that the Model adopted, without prejudice to its specific purpose (prevention of the risk of crime) and the necessary compliance with the legal requirements, must be incorporated into the company reality, providing for the specific purposes of guaranteeing compliance of company practices, ethical standards and the correct and lawful carrying out of activities.

From this perspective, as regards organizational aspects, the Company has already formalized and made operational its corporate organizational chart and the Quality Manual containing the corporate procedures.

The additional procedures, originally not foreseen in the quality system but adopted as preventive protocols, are inserted and managed through the system itself.

Knowledge and dissemination of the company organization chart, and of the Manual and other organizational documents are guaranteed by the accessibility to all staff of the online folder where the Manual is saved.



With reference to management and governance aspects, the Company refers to the provisions of the Articles of Association, which describe the skills, responsibilities and powers of the Corporate Bodies and Top Management Staff of the Company.

As suggested by the guidelines of the trade associations, the Model formalizes and clarifies the attribution of responsibilities, the lines of hierarchical dependence and the description of tasks, with specific provision of control principles such as, for example, the contrast of functions (where the organizational dimensions allow it).

As regards operational management, preventive controls are expressed in the separation of tasks and, where appropriate in relation to the risks of crime, in the inclusion of different levels of control.

As regards control aspects, the Company, in addition to providing for the establishment of an autonomous and independent Supervisory Body, guarantees the integration and coordination of the latter's activities with the already existing internal control system, making use of the experiences gained.

The Model does not modify the pre-existing functions, tasks and objectives of the control system, but aims to provide greater guarantees regarding the conformity of company practices and activities with the rules of the Code of Ethics and the company regulations which set out the principles in the discipline of Activities at risk of crime.

Finally, still on the subject of controls, the Model provides for the obligation to document (possibly through the drafting of reports) the carrying out of the inspections and controls carried out.

Finally, the communication and training actions envisaged by the Model will allow:

- to the Personnel, as potential perpetrators of the Crimes, to have full awareness both of the cases at risk of committing an offense, and of the Company's total and absolute disapproval of such conduct, deemed contrary to the company's interests even when

- the Company could apparently benefit from it an advantage;
- the Company to react promptly to prevent/prevent the commission of the crime itself, thanks to constant monitoring of the activity.

The Model adopted, therefore, involves every aspect of the Company's activity, through the search for the distinction between operational tasks and control ones (where possible), with the aim of correctly managing possible situations of risk and/or conflict of interest.

In particular, the controls involve, with different roles and at different levels, the Board of Directors, the Supervisory Body, the General Manager and all the staff, thus representing an essential attribute of the Company's daily activity.

The Model represents a structured and organic system of processes, procedures and control activities (preventive and *ex post*), which has the objective of allowing the conscious management of the risk of commission of crimes, through the identification of activities at risk of crime and their consequent regulation through procedures.

3.2. Activities aimed at adapting the existing organizational structure to the requirements established by Legislative Decree 231/2001

With regards to the evaluation of the Model and the processes of updating and improving it, in compliance with the Decree and the Guidelines of the aforementioned trade associations, the Board of Directors decided to establish a *risk assessment* and *risk management process* , adopting the actions listed below:

- identification and mapping of company areas and activities;
- correlation of company areas and activities with respect to the types of crime with consequent detailed mapping of the areas and activities at risk of crime to be subjected to analysis and monitoring;

- analysis of existing protocols with reference to Activities at risk of crime and definition of any implementations aimed at guaranteeing compliance with the provisions of the Decree. In this context, particular attention has been and must be paid to:
 - definition of ethical principles in relation to behaviors that may constitute Crimes;
 - definition of Activities at risk of crime;
 - definition of an implementation plan for the Protocols;
 - definition of a specific staff training plan;
 - definition of the Protocols for third parties (consultants, suppliers and *outsourcers*);
 - definition and application of a specific sanctioning and disciplinary system, equipped with suitable deterrence;
- identification of the Supervisory Body in a body established ad hoc by the Company and attribution to it of specific supervisory tasks regarding the effectiveness and effectiveness of the Model;
- definition of information flows to the Supervisory Body and from these to the Corporate Bodies.

The following chapters 3.3. , 3.4., 3.5., 3.6 and 3.7 illustrate, in particular, the organizational structures, management and internal control systems aimed at preventing specific risks - respectively - relating to hygiene and safety in the workplace, and the protection environmental, associative crimes, self-laundering, structured in compliance with current regulatory parameters.

3.3. The organization, management and control model for the prevention of crime risks regarding hygiene and safety in the workplace

With reference to the risks induced by the crimes of murder and serious and very serious injuries due to lack of hygiene and safety measures in the workplace, the main preventive measures adopted by the Company are represented by the fulfillment by the



latter of the obligations provided for by Legislative Decree 81/2008.

The Company has therefore established an organizational structure, which has the employer at its top; Furthermore, the appointments of the Head of the Prevention and Protection Service, the Competent Doctor, the emergency services workers and the Workers' Safety Representative were formalised.

Failure to comply with the measures aimed at guaranteeing hygiene and safety in the workplace can be sanctioned through the sanctioning and disciplinary system referred to in Model 231.

A specific control system is also envisaged on the implementation of the same system and on the maintenance over time of the conditions of suitability of the measures adopted, through the work of the Prevention and Protection Service and a third level control by the Supervisory Body , which annually plans control activities, reporting the results annually to the Company's Board of Directors.

Finally, the review and possible modification of the solutions adopted are envisaged when significant violations of the rules relating to the prevention of accidents and hygiene at work are discovered, or in the event of changes in the organization and activity in relation to scientific progress and technological (activity carried out through the RSPP, in accordance with the provisions of article 28 of Legislative Decree 81/2008 and on the occasion of the periodic meeting, referred to in article 35 of Legislative Decree 81/2008) .

3.4. The organization, management and control model for the prevention of environmental crime risks

With reference to the risks induced by environmental crimes, the main preventive measures adopted by the Company are represented by the latter's fulfillment of the obligations established by Legislative Decree 152/2006 as amended .



The Company acts in the belief that the environment is a heritage to be safeguarded in everyone's interest and is inspired by the principles of sustainability and environmental protection. It has always recognized the high value of environmental protection, also in relation to a vision of sustainable development of the territory.

In compliance with national and regional legislation, the Company is committed to ensuring that every activity is carried out with full respect for the environment, minimizing both direct and indirect environmental impacts of its activity, to preserve the natural environment for future generations.

3.5. The organization, management and control model for the prevention of the risks of associative crimes

With reference to the risks induced by association crimes, the Company is equipped with organizational solutions that it believes are in line and compliant with the indications given by the Guidelines of the trade associations.

In particular, the following organizational solutions, logics and safeguards are effective as preventive protocols:

- Good reputation and ethical requirements of the members of the top management: the requirements established by the laws and regulations regarding the good reputation requirements of the top management, as well as the key functions of the Company, are scrupulously respected. A sanctioning and disciplinary system is also adopted, which includes recipients at every level in the Company; the sanctioning system is considered effective as a deterrent .
- Verifications of the identity of the subjects who have relationships with the Company such as, by way of example, any agents, representatives, intermediaries;
- Transparent and traceable procedures for the selection of main suppliers;
- Strict compliance with the provisions of Model 231 adopted with reference to the reduction of the risk of commission of crimes, which may lend themselves to acting as crimes-purpose of a criminal association: with regard to the protocols

adopted for the reduction of the risk of commission of crimes, please refer to individual protocols.

- Strict compliance with the provisions of Model 231 dictated for the regulation of the management of financial resources: the protocols envisaged for the formation of decisions demonstrate their effectiveness in the financial resources management process, imposing the principles of traceability and verifiability of management decisions.

The Company believes that these protocols are effective in preventing the risks of associative crimes referred to in art. 24-ter and that the commission of the latter is only possible through the fraudulent violation of the protocols themselves.

3.6. The organization, management and control model for the prevention of the risks of the crime of self-laundering

With regard to the hypothesis of self-laundering of goods or money already present in the company's assets, the company procedures that govern the management of treasury, cash and investments are effective as preventive protocols.

For the purposes of preventing the crime in question, the measures adopted to prevent the commission of the crimes referred to in the Decree are also relevant, as they are possible basic crimes that give rise to assets potentially subject to self-laundering.

Among the basic crimes not foreseen independently as a prerequisite pursuant to Legislative Decree 231/2001, tax crimes deserve particular consideration ⁸⁷; with regard to these crimes, the company recognizes the effectiveness of preventive protocols for the

⁸⁷ In fact, it has been argued that for those who commit a tax crime, the possibility of falling into self-laundering is quite high (among the first comments on the topic, L. Ambrosi, A. Iorio, *Il Sole 24 Ore*, 3/1/2015); the hypothesis, shared by the commentators, concerns the case in which a top manager or (less probably) a subordinate commits a tax crime to the advantage of the entity and then reuses the proceeds of the same crime to the benefit of the entity: the latter could be called to answer for the crime of self-laundering. According to part of the doctrine and a Confindustria circular, n. 19867 of June 2015, however, the crime of self-laundering should be relevant under the administrative liability of entities only if the predicate crime, which generated the proceeds from a non-negligent crime, is a predicate crime already referred to by Legislative Decree 231/2001. Otherwise, this doctrine maintains, the scope of liability would end up being excessively expanded, making it impossible to implement the principles of exemption indicated by articles 6 and 7 of the decree itself.



company procedures that govern civil and fiscal accounting, the drafting of the financial statements and the related controls by the bodies and individuals in charge.

3.7. The organization, management and control model for the prevention of tax crime risks

The conversion law n. 157 definitively approved the legislative decree n. 124 of 26 October 2019, the so-called Tax Decree entitled "Urgent provisions on tax matters and for needs that cannot be deferred".

This provision has fully implemented the changes introduced when referring to the text of the Decree and therefore both the attenuation of the sanctioning system against natural persons has remained unchanged (the slight lowering of the maximum penalty limit for crimes relating to declarations is balanced by the elimination of the lowering of the thresholds for both crimes of non-payment) and the tightening of discipline towards legal entities.

further types of tax crimes envisaged by Legislative Decree no. have been included in the list of predicate crimes. 74/2000.

Specifically, the **crime of fraudulent declaration through the use of invoices or other documents for non-existent operations** pursuant to art. 2 (punished with a fine of 500 quotas, which drops to 400 in the attenuated case referred to in the recently introduced paragraph 2-bis), the crimes of:

- **fraudulent declaration through other devices** referred to in the art. 3, or the carrying out of simulated operations or the preparation of false documents capable of hindering the assessment and misleading the financial administration with the indication in the tax return or for the purposes of calculating the value added tax of active elements lower than the actual ones or of fictitious passive elements, credits and withholdings (punished with a financial penalty of up to 500 quotas).

This case, unlike the violation referred to in art. 2 which does not provide for a minimum threshold of the tax evaded for the purposes of punishment, occurs when



the single tax is greater than thirty thousand euros and the amount of the active elements subtracted from the taxation is greater than five percent of the total amount of the active elements indicated or in any case, is greater than one million five hundred thousand euros, or if the total amount of credits and fictitious withholdings as a reduction of the tax is greater than five percent of the amount of the tax itself or in any case than thirty thousand euros.

The documents used must be recorded in the mandatory accounting records or held for proof purposes towards the financial administration. Since they do not constitute fraudulent means, the punishment of the mere violation of the invoicing and annotation obligations of the active elements in the accounting records, or the sole indication in the invoices or annotations of active elements that are lower than the real ones, is however excluded.

- **issuing invoices or other documents for non-existent operations** pursuant to art. 8, which consists in the issuing or issuing of invoices or other documents for non-existent operations for the purpose of allowing third parties to evade income taxes or tax on added value (also punished with a fine of 500 quotas, which drops to 400 in the attenuated case referred to in the recently introduced paragraph 2-bis);
- **concealment or destruction of accounting documents** pursuant to art. 10, i.e. those whose conservation is mandatory, so as not to allow the reconstruction of income or turnover for personal or third party evasion purposes (punished with a financial penalty of up to 400 quotas);
- **fraudulent subtraction from the payment of taxes** referred to in art. 11, which takes the form of either simulated alienation or the carrying out of other fraudulent acts on one's own or other people's assets capable of making the compulsory collection procedure ineffective to avoid paying taxes, interest, or penalties whose total amount is greater than euro fifty thousand, or in the indication, in the documentation presented for the purposes of the tax transaction, of active elements for an amount lower than the actual one or of fictitious passive elements for an amount exceeding fifty thousand euros with the aim of obtaining for oneself or others a partial payment of taxes and related accessories (punished with a fine of up to 400 quotas).

If, following the commission of the crimes indicated above, the organization has achieved a **significant profit** , the pecuniary sanction is **increased by one third** .

Furthermore, the application of the disqualification measures referred to in art. 9 of Legislative Decree no. 231/2001 , previously excluded from the decree, namely:

- the ban on contracting with the public administration, except to obtain the performance of a public service;
- exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted;
- the prohibition on advertising goods or services.

A mitigation, however, is provided for by the hypothesis of extinction of the type of crime referred to in the articles. 2 and 3 through the payment of the entire tax debt , provided that the same occurs before the suspect has formal knowledge of a criminal proceeding against him.

Furthermore, it is specified that the sanctioning system has been amended with regard to **confiscation for disproportion** , a measure which affects money, goods or other benefits of which the convicted person cannot justify the origin and of which, even through an intermediary natural or legal person , appears to be the owner or to have the availability in any capacity in value disproportionate to his income (without prejudice to the application of confiscation, even for equivalent, of the price or profit of the crime , by virtue of the provisions of the art. 19 of the Decree).

Furthermore, Legislative Decree 75/2020 provides in art. 5 different amendments to Legislative Decree 231/2001 expanding the catalog of predicate crimes, which now includes the following crimes:

- **fraud in public supplies** (art. 356 of the Criminal Code), with the modification of art. 24 of Decree 231 whose heading is now formulated as follows " *Undue receipt of payments, fraud to the detriment of the State, a public body or the European*

Union or to obtain public funds, computer fraud to the detriment of the State or a public body and fraud in public supplies"

- **fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development** (Fraud in agriculture) (art. 2 l. 898 of 1986), for which punishment is foreseen pursuant to the new paragraph 2- *bis* of the 'art. 24 of Decree 231;
- **embezzlement** (art. 314, paragraph 1, Criminal Code), **embezzlement by profiting from the error of others** (316 Criminal Code), **abuse of office** (323 Criminal Code), when the fact offends the financial interests of the European Union, with the modification of the art 25 of Decree 231 whose heading is now formulated as follows " *Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office*" ;
- **unfaithful declaration** (art. 4 Legislative Decree 74/2000), **omitted declaration** (art. 5 Legislative Decree 74/2000), **undue compensation** (art. 10- *quater* Legislative Decree 74/2000) but only in of cross-border VAT fraud and for an amount of no less than ten million euros. The modification therefore concerned the art. 25- *quinquiesdecies* of Decree 231 to which art. 1- *bis* .
- **smuggling** (Presidential Decree no. 43 of 1973), through the introduction of the new article 25- *sexiesdecies*

The extension of the list of predicate crimes to include tax offenses made it necessary to update the Model in relation to the crime risk analysis and the existing internal control system.

The Model must therefore constitute an effective tool to prevent the risks of committing the tax crimes seen above and to provide evidence, even after some time, of the preventive controls prepared in light of the risks identified and actually carried out in sensitive activities.

4. ANALYSIS AND ASSESSMENT OF CRIME RISK AND MANAGEMENT OF



IDENTIFIED RISKS

Crime risk analysis is an activity that has the primary objective of identifying and contextualizing the crime risk in relation to the governance, organizational structure and activity of the entity.

Secondly, through this activity it is possible to obtain useful information to support the choices of the Supervisory Body and the Board of Directors (for their respective competences) regarding the actions to adapt and improve the organization, management and control model of the entity with respect to the preventive purposes indicated by Legislative Decree 231/2001 (such as the levels of exposure to individual crime risks).

The crime risk analysis was carried out by evaluating the following factors:

- The identification of crime risks (through the identification of areas and activities at risk of crime);
- the real probability that an illicit event will occur (through the assessment of the probability of the threats that induce or can induce the illicit event);
- the possible damage deriving from the commission of a crime (through the Impact assessment);
- corporate weaknesses of an organizational nature that can be exploited to commit crimes (level of vulnerability).

The risk assessment carried out can be summarized in the following formula:

Risk of Crime = F (Probability of Threat × Vulnerability × Impact)

Compared to this formula:

- the Probability of the Threat : it is the frequency of occurrence of a Threat, or of an action, an activity, a process or a potential event which, depending on the type of Crime, represents a possible way of implementing the Crime itself.

- the Vulnerability Level : it is the level of corporate weakness of an organizational nature; the vulnerabilities can be exploited to commit Crimes and consist in the lack of preventive measures, which make the occurrence of a threat and the consequent commission of the Crime possible;
- the Impact : it is the damage resulting from the commission of a crime in terms of sanctions, economic consequences, damage to image, as determined by the legislator or representable;
- Crime Risk : is the probability that the organization will suffer damage caused by the commission of a crime through implementation methods that exploit the vulnerabilities represented by the lack of preventive measures or by the negative ethical and organizational climate.

For the purpose of identifying the "areas" and "activities" "at risk of crime", the determination of the scope of application of the subjective assumptions of the Decree takes on preliminary importance. In particular, the subjects whose illicit conduct could lead to the extension of the liability of the Company have been identified.

In more detail (as provided for by Art. 5 of Legislative Decree 231/2001):

- a) by people who hold representation, administrative or management functions of the entity or one of its organizational units with financial and functional autonomy as well as by people who exercise, even de facto, the management and control of the same;
- b) by persons subject to the management or supervision of one of the subjects referred to in letter a).

The results of the mapping activity of the areas and company activities at risk of crime are reported in the **Special Part** of the Model.

5. ETHICAL CODE

Among the main and more general preventive protocols, the Company has adopted a Code of Ethics, the principles of which are made effective through the adoption of the organisation, management and control model, integrating with it.

The Code of Ethics adopted by the Company is a document of general scope as it contains a series of principles of "deontology" (such as ethical standards applied to professional activity), which the Company recognizes as its own and which it intends to require everyone to observe its Employees and all those who, even outside the Company, operate in its interest or to its advantage (Recipients).

The Code of Ethics substantiates the diligence required of the Recipients in carrying out the services carried out in the interest or advantage of the Company.

Furthermore, the Code of Ethics represents a point of reference for directing the behavior of the Recipients and of those who work in the interest or to the advantage of the Company, in the absence of specific preventive protocols.

The Company is committed to the effective dissemination, internally and towards the subjects who collaborate with it, of information relating to the regulatory framework and the behavioral and procedural rules to be respected, in order to ensure that the business activity is carried out in compliance with the ethical principles dictated by the Code of Ethics.

The Code of Ethics is periodically updated and potentially expanded both with reference to legislative innovations and as a result of events modifying the operations of the Company and/or its internal organisation.

5.1. Code of Conduct towards the Public Administration

In addition to the Code of Ethics, the Company has established a "Code of Conduct towards the Public Administration" approved by the Company's Board of Directors with the approval of this Model.

This Code provides that anyone who operates in the interest or to the advantage of the Company through their employees or representatives must not promise or offer money, goods or other benefits of various kinds to Public Officials in order to promote and favor their own interests or the interests of the Company. Company or even to compensate or repay the Public Officials themselves for an act of their office, or to achieve the execution of an act contrary to the duties of their office.

Furthermore, the Code provides for a series of prohibitions that all Recipients must respect, including:

- it is forbidden to influence the independence of judgment of the Public Official or distract him from his exclusive service to the Public Administration;
- any behavior aimed at ensuring any illicit advantage for the Company or the Recipient is prohibited;
- it is forbidden to distract the Public Official from carrying out their duties by promising or involving them in leisure activities, trips and/or relieving them of their duties by carrying out the activities;
- it is forbidden to ask the Public Official for information available to him for official reasons, behavior that hinders the exercise of third party rights, behavior that hinders the exercise of the Public Administration.

Finally, it provides that anyone who directly or indirectly receives requests for benefits from Public Officials must immediately report it to the Supervisory Body, through the official reporting channels, also described in the chapter of this Model relating to the Supervisory Body.



5.2. Anti-Corruption Code of Conduct

In addition to the Code of Conduct towards the Public Administration, the Company has established an "Anti-Corruption Code of Conduct" approved by the Company's Board of Directors with the approval of this Model.

This Code contains rules of conduct that indicate the behavior that the Recipients must adopt towards Directors, Statutory Auditors, General Managers, Liquidators and those responsible for preparing accounting or tax documents or the personnel of private companies so that behavior suitable for committing crimes of referred to in Legislative Decree 231/2001.

The Anti-Corruption Code of Conduct reports the Company's position of absolute intransigence towards any form of abuse of office (passive corruption) and corruption, even towards personnel of private companies. This position contributes to respecting the commitments to which the Company has voluntarily bound itself also through the formalization of its Code of Ethics.

The Code provides that all Recipients, in carrying out their work activities, are required to take a position of firm opposition to any form of abuse of office and corruption. In order to obtain this respect, the Company undertakes to disseminate this Code through specific communications and information meetings.

5.3. Adequate Procedures in accordance with the Bribery Act 2010

Ancillary Compliance Policy / Guidance Document in compliance with Bribery Act 2010

The Bribery Act of 2010, in accordance with Legislative Decree 231/01, attributes a responsibility deriving from the generic commission of crimes in his interest or advantage. The legislator British introduced a specific and limited form of criminal liability, which arises only (" **if , and only if** ") if the commission of one of the crimes of corruption foreseen by Sections 1-6 of the Bribery Act, precisely:

- (a) Corruption active towards subjects public or private
- (b) Corruption passive towards subjects public or private
- (c) Corruption Of a public officer foreigner
- (d) Missed prevention from the corruption from part from the Society'

This document and this chapter summarize the policy underlying Section 7 of the Bribery Act, ed indicate the procedures That there It . There Pharma International Ltd needs to put in act For to preventthe crimes of corruption as well as expected in the Bribery Act. Before Of indicate the appropriate procedures implementation, And appropriate supply a brief overview on the text regulatory And the incriminating cases .

A. Introduction

The Bribery Act 2010 identifies *commercial* companies as recipients of its regulations *organisations* ", That are defined as:

" a body which is incorporated under the law of any part of the United Kingdom and which carries on a business (whether there or elsewhere), any other corporate body (wherever incorporated) which carries Hon to business, or part of to business, in any part of the United Kingdom, a partnership which is formed under the law of any part of theUnited Kingdom and which carries Hon to business (whether there or), or any other partnerships (wherever formed) which carries Hon to business, or part of to business,in any part of the United Kingdom ".

He comes , Furthermore specified That *" for the purposes of this section, to trade or profession is to business "*.

The only subjective requirement required by the organization is therefore the performance of an activity that can be classified as "business". This circumstance leads us to consider the inapplicablelegislation for non-profit entities (as well as public bodies). Must, furthermore, note that, with this provision, the Bribery Act intended to dictate a regulation "universal", as it expressly contemplates its applicability also to episodes corruption committed outside national borders. The occurrence of a corrupt event entails liability from the "commercial organisation " only so far as come clerk from a" associated

person ”.

The definition of the contours of this notion appears of crucial importance for the evident resulting consequences. The “ associated person ” is identified with the subject who, regardless of the formal qualification attributed to him within the company, he committed the crime inname or on behalf of the same. The prevalence of the substantial criterion over the formal one finds Furthermore expressed he confirms in the disposition That he points out That, in identifying there condition of “ associated person ”, one must not limit oneself to the mere consideration of formal nature of the relationship between it and the institution but must be evaluated all the circumstances That concretely characterize The relationship same.

TO mere exemplary title il Bribery Act indicate Furthermore, what potential “ associated person ”:

- The employee
- people or
- The subsidiary from the society

specifying That, so far as The subject is bound to the institution from a relationship Of Work subordinate, Yesassumes, until proven otherwise, that he meets the requirements of the " associated person ". AND Therefore obvious That, to the even of the d. lgs. 231/01, The Bribery Act extends there responsibility criminal at people legal only so far as they are tied to the author material of the crime from a relationship qualified . There discipline legislation British Yes differentiateHowever from that Italian so long as Not limits there responsibility from the society to the alone facts clerksfrom the apical or by the subjected people to their direction or vigilance.

A further condition for the establishment of criminal liability for the entity is that the “ associated person ” has committed the corrupt act in order to obtain or retaina business for the benefit of society, or to obtain or maintain an advantage in management Of a business in the interest from the same. There responsibility burdensome in boss to the institution to regardless from the actual achievement of the advantage pursued.

Although the Bribery Act does not express itself explicitly on this point, this provision it seems to be clear that the company will be exempt from liability if the offender has carried out the corrupt conduct in the exclusive interest of oneself or of third parties. The responsibility of the entity is based on the possible verification of a " failure to prevent bribery ", i.e on the omission adoption Of measures are to prevent there commission of the Done corruptive clerkfrom the " associated person " . In substance, The legislator British has deemed appropriate The appeal at the sanction criminal only in the comparisons of the entities That they lack Of a system organizational internal suitable to prevent commission of crimes Of corruption.

In accordance with the provisions of the Legislative Decree. 231/01, the Bribery Act in fact contemplates a cause of exemption from liability in favor of the entity that demonstrates that it has adopted, before the commission of the Done Of crime, " **adequate procedures** " times to prevent there realization from theconducted prohibited . For go exempt from responsibility The entities they will have to therefore have elaborateand implemented, before the commission of the crime, specific *compliances programs* finalized to check the activity internal and to counteract The occur Of episodes corruptive.

Finally, it should be noted that the adoption of " adequate procedures " does not constitute a obligation for the entity, but represents only a condition in the absence of which it comes to itself precluded the possibility of invoking the exemption contemplated by the Bribery Act itself. How much to the regime sanctioning, good make evident as there legislation British Not predictthe applicability of interdictory sanctions. The punitive response of the British legal system is limited Indeed alone sanction pecuniary.

B. Jurisdiction

Section 12 of the Bribery Act 2010 (" *Offenses under this Act: territorial applications* "), provides that the Courts are competent for the crimes referred to in articles 1, 24 or 6 committed in United Kingdom, but also for crimes committed outside the United Kingdom if the person who them engage has one strict link with The Kingdom United

in How much citizen British or ordinarily resident in the United Kingdom, or a body incorporated in the United Kingdom or a society of people Scottish.

In relation to Section 7 of the Bribery Act 2010, the requirement of a close relationship with the United Kingdom it does not apply. Section 7(3) clarifies that a commercial organization can be responsible Of a conduct That configure a crime to the senses of the article 1 or 6 of the Bribery Act by a person who is neither a British citizen nor resident in the United Kingdom, neither a body constituted or created In the Kingdom United. Furthermore, the article 12(5) establishes That it is not important That The acts or the omissions That they do part of the crime Of which at the Section occur in the UK or elsewhere. So, provided that the organization is established or formed In the Kingdom United, or That the organization carries out an activity or part Of an activity In the Kingdom United(in any part of the world is found).

C. Crime of corruption Of person

This type of crime occurs when a person ("P") offers, promises or gives a advantage financial you hate other type a another one person in one of two cases:

- The case 1 Yes apply when P he means That The advantage is finalized to the improper performance by another person of a relevant function or activity or For reward such improper performance.
- Case 2 applies when P knows or believes that acceptance of the benefit offered, promised or granted constitutes in itself the improper exercise of a function or activity relevant.

The definition of "misbehavior", however, is reported in sections 3, 4 and 5. In summary, it is a performance that amounts to a violation of the expectation that one person act in Good wedding ring, in way impartial or in compliance to one position Of trust.

The crime Yes apply at the corruption relative to any function Of nature public, connected

to an activity commercial, turning point within the scope of the relationship Of Work Of a person or turning point ForI count Of a society or Of a other body. Therefore, there corruption And cover is In the sector publicThat in the private one.

For decide self a function or an activity And was turning point in way improper, The criterion Of what There Yes Wait And that Of that is That a person reasonable In the Kingdom United Yes would expect in relation to the performance of that function or activity. If the performance of the function or of the activity Not And subject at the law of the Kingdom United (to example, Yes carries out in a village to the Ofout from the jurisdiction of the Kingdom United), At that time any custom or practice local needs to be ignored, unless permitted or required by the written law applicable to that particular village. For law written Yes he means any constitution written, disposition taken from or in basic at the legislation applicable to the village in question or any decision judicial that is witnessed from written sources published.

D. Corruption Of a public official foreigner

The crime occurs when a person offers, promises or gives an advantage financial or otherwise to a foreign public official with the intention of influencing the official in the exercise of his official duties. The person who offers, promises or gives the advantage must also have the intention of obtaining or retaining business or an advantage in the management of business.

However, The crime Not And clerk In the case in which the official is authorized or obligedfrom the applicable written law to to be influenced from the advantage.

“Foreign public official” means the elected or appointed officials they hold a legislative, administrative or judicial position of any kind in a country or territoryoutside the UK. Also includes any person performing public functions in any branch of the government national, local or municipal of such village or territory. The publicforeign official can Also to be an officer or an agent of an organization publicinternational, like the UN or the Bank World.



There politics That foundation The crime Of which to the art. 6 And there need of to prohibit the flu on the processdecision-making in the field of safety.

E. Right local

To the ends of the article 6 the public ministries they will have to show Not Alone That a "advantage" was offered, promised or given to the official or to another person upon request, assent or acquiescence of the official, but that the benefit was one from which the official could not o where you go to be influenced, as established from the law, applicable to the officer foreigner.

The Governments Often allow or require to those That participate at races Of contract to offer, beyond to the price, Also the following elements competition of tender main, a some guy of investment additional in the economy local or benefit for their community local. In determinedcircumstances, such arrangements could constitute a financial or other "advantage" to a officer public or For another one person That work for the officer same.

F. Expenses Of hospitality, promotional And other expenses commercial

Hospitality and promotional expenses or other business expenses that aim to improve the image of a commercial organization, to better present the products and services or to to establish relations friendly, I am recognized as a part important And consolidated of the activity commercial And Not And intention from the Law Of "criminalize" such behaviors.

The Government Not he means That there Law prohibit hospitality reasonable And proportionate And the expenses promotional or other similar commercial expenses intended for these purposes. However, it is clear that hospitality And the expenses promotional or Of other expenses commercial similar can to be usedas "bribes".

To constitute a bribe under section 6, there must be an intention to obtain a financial or other advantage to influence the official in his official role e therefore secure a deal or

commercial advantage. In this regard, in some Circumstances may happen that hospitality or promotional expenses in the form of expenses voyage And Of stay Not represents neither "an advantage financial or Of other guy" for the official in question, as this is a cost that would otherwise be borne by the government interested foreigner rather than from the official himself.

The prosecution will have to prove not only that an advantage was offered, promised or given financial or otherwise, but also demonstrate that there is a sufficient link between the advantage and the intention to influence and secure business or a commercial advantage. In absence Of such tests Not Yes will configure the crime expected from the section 6.

For completeness Yes Report That the tests direct to support of existence Of This linkthey can also concern relatively modest expenses. These are aspects such as type and level of benefit offered, the manner and form in which the benefit is provided and the level of influence That The particular officer public foreigner practice on the award of the deal. Standards or regulations in a particular industry may also be relevant in This case. However, there simple offer Of hospitality or Of expenses promotional, or other expenses commercial similar, That I am commensurate to such standards, Not And Of For self a trial That Not iswas paid any tangent, self-there are others evidence to the contrary.

Costs will therefore not be the only consideration in determining whether an Article 6 offense has been committed. However, in the absence of further evidence demonstrating the required connection, it is unlikely, for example, that the incidental provision of a courtesy routine commercial activity could lead to the inference that it was destined to have a negative impact on the health of consumers.

G. Missed prevention from the corruption from part from the organizations commercial

A commercial organization will be liable to prosecution if a person is associated with it corrupts another one person with the intent Of obtain or maintain a deal or a advantage



in the management of the business For the organization itself. As indicated in precedence, the commercial organization will have a complete defense if it can demonstrate that, despite a particular case of corruption, he had nevertheless adopted adequate procedures to prevent at people and it associated Of corrupt. In compliance as established

There law has established That the standard Of trial That the organization commercial should satisfy For show there defense, In the case in which is pursued, And The balancing of probabilities.

The "relevant commercial organization" may commit an offense under the article 7 of the Bribery Act. A "relevant commercial organization" is defined in section 7 as a body corporate or partnership incorporated or formed in the United Kingdom regardless of place in which carries out the activity, or a body or a society Of people made up That carries out an activity or part of a business in the United Kingdom regardless of where it is incorporated or training. The concept key And that Of an organization That "does an activity commercial". They will be the law courts to establish self an organization "does an activity commercial" in Kingdom United, holding account of specific facts of individual cases.

With respect to legal entities or partnerships incorporated in the Kingdom United, although there are many ways in which a legal entity or partnership can pursue commercial objectives, the Government expects the answer to the question self a body or a society Of people can to be considered a business Yes will get applying a approach Of Good sense. Until the organization in question And made up in corporate form (by any means) or is a partnership, it does not matter whether it pursues mainly purposes of charity or Of education or purposes purely public.

The company comes back In the field Of application self carries out activity commercial, a regardless of purpose for which are made i profits.

With respect to legal entities or partnerships established outside the Kingdom United, self-such people can to be consider as merchants an activity commercial or part of it "anywhere in the United Kingdom" will still be answered time applying a approach Of Good sense. A approach Of Good sense it would mean that organizations That Not they

have a presence commercial demonstrable In the Kingdom United Notthey would come taken in consideration.

Their presence of a branch in United Kingdom does not mean of For self That a company mother carries on a business or part of a business in the UK and therefore falls within the definition of “relevant commercial organization” for the purposes of section 7. Likewise, the fact of having a branch in the UK does not in itself mean that a parent company carries on a business in the UK, as a subsidiary can act independently of its company mother or from other society of the group.

The commercial organization is liable under section 7 if a person “associate” bribes another person with the intent to obtain or retain a business or a commercial advantage for the organization. A person associated with an organization commercial is defined in section 8 as a person who "carries out services" for or on behalf of the organization. This person may be an individual or an incorporated or unincorporated body constituted.

The person performing services for or on behalf of the organization is not important; therefore, employees (who are presumed to be performing services for their employer) are included Work), the agents e the societies check.

Section 8 however, clarifies that the question of whether a person is carrying out services For an organization needs to to be determined with reference to all the circumstances relevantand not only with reference to the nature of the relationship between that person and the organization. The concept Of person That "does services For or For I count Of" an organization he means give section seven has a broad scope, to include the full range of people connected to an organization that they may be able to commit acts of corruption on behalf ofof the organization itself.

The broad scope means that contractors could be people "associated" in the measure in which they lend services For or For I count Of an organization commercial. Furthermore, self-Yes can to assert That a supplier lend services For an organizationcommercial rather than simply acting as a seller of goods, can be a person "associated".

Given these brief notes, we will proceed to indicate the relevant procedures to avoid

corruption phenomena. The regulations relating to this will also be indicated for precautionary purposes anti money laundering , so that Yes avoid The reuse of the proceeds illicit from the corruption inside of Lo.Li. Pharma International Ltd

I. Procedures proportionate

Below are the procedures that the commercial organization “Lo. Li Pharma International Srl” adopts to avoid corruption phenomena as a whole corporate:

- Mitigation of the risks specific Of corruption, arising from the conduct Of intermediaries Andagents, or associated ones to hospitality and to Work;
- Limitation from the expenses promotional, payments facilitated or donations or contributionspoliticians and of charity;
- a overview from the her strategy Of implementation from the policies Of prevention from thecorruption;
- The involvement of the top organization management;
- Procedures Of assessment of risks;
- Two diligence from the people associated existing or potential;
- The offering of gifts, hospitality and promotional expenses; charitable and political donations;or requests Of payments subsidized;
- Use direct And indirect, included the hiring, the terms And the conditions, the actionsdisciplinary and remuneration;
- Management of the relationships commercial with all the other people associated, included Theagreements before and post contractual;
- Controls financial and commercial, as adequate accounting, audit And approval of expenses;
- Transparency from the operations And disclosure from the information;
- Process decision-making, as to example the procedures Of delegation of authority, thereparation of tasks; functions e prevention conflicts of interest;
- The application, That describes In the detail the processes disciplinary And the sanctions For theviolations of anti-corruption rules of the organization;

- There report Of cases Of corruption, included the procedures Of " speak up" or " whistleblowing ";
- The detail of the process by which the organization plans to implement the procedures prevention of corruption, for example how the policy will be applied to individuals projects and to the different parts of the organization;
- There communication from the policies And from the procedures of the organization And there trainingon the their application;
- Monitoring, review and evaluation of prevention procedures corruption;

J. I commit to the maximums levels

The senior management of a commercial organization (be it the board of administration, the owners or any other body or person equivalent) is committed to preventing corruption by people associated with it.

The leaders of the organization promote a culture within the organization where the corruption it is not never acceptable.

The top management of an organization is in the best position to foster a culture of integrity where corruption is unacceptable. The purpose of this principle is to to encourage The involvement of the vertices corporate in the definition from the procedures Of prevention of corruption. Furthermore, it is about encouraging top management involvement corporate in any process decision-making key relative to the risk Of corruption, where that is appropriate for their management structure of the organization.

Regardless of an organization's size, structure or market commercial, the commitment of high-level management to the prevention of corruption is likely to include communication of the organization's anti-corruption position, and an adequate degree of involvement in the development of prevention procedures corruption.

Internal and external communication of the commitment to zero tolerance towards



corruption.

This can take several forms. A formal statement communicated in a manner appropriate can be very effective in establishing an anti-corruption culture within an organization. The communication could be adapted to different audiences.

There declaration should to be scope to your attention from the people periodically And could beto be available in general, to example on the intranet of the organization and/or on the website.

Effective formal declarations that demonstrate the commitment of top management of the organization may include:

- the commitment to carry out their own activity in way fair, honest And open
- the commitment at the tolerance zero moles comparisons from the corruption
- the consequences from the violation from the politics For the employees And the senior executives
- for other associated people the consequences of violating contractual provisions relative at the prevention from the corruption (This could be to include a reference to avoiding doing business with others who are not committed to doing business without corruption as the goal of "best practice")
- articulation of the corporate benefits deriving from the rejection of corruption (reputation, trust of customers and partner commercial)
- reference at the range Of procedures Of prevention from the corruption That the commercial organization has put in place or is putting in place, including any protection And procedure For their report confidential from the corruption (whistle-blowing)
- the people And the functions key involved in development And in implementation from the procedures Of prevention of corruption in the organization

- reference to the organization's involvement in any collective action against their corruption, to example in the same sector of activity.

The board of directors sets policies Of prevention of corruption, by instructing management to plan, manage and monitor the procedures Of prevention from the corruption And hold these policies And procedures under regular review according to the following elements:

- I commit with the people associated And The entities external interested, as the organizationssectoral And the media, to contribute to the joint from the policies of the organization.
- Specific involvement in critical and high-profile decision-making processes where appropriate.
- Risk assesment assurance.
- Overall oversight of breaches of procedures and providing feedback to the Board of Directors or equivalent body, as appropriate, on levels of compliance.
- Selection and training of senior managers to lead anti-corruption work, where appropriate.
- Leadership on key measures such as the code of conduct.
- Approval of all publications relating to the prevention of corruption.
- Leadership in raising awareness and encouraging transparent dialogue throughout the organization, to ensure effective dissemination of anti-corruption policies and procedures to employees, branches, associated persons, etc.

K. Assesment of the risk

The commercial organization “Lo. Li Pharma International Srl” evaluates nature and the entity from the own exposure to potential risks external And interior Of corruption For



his account aside Of people to it associated. Their assessment And periodic, informed And documented.

The purpose of this principle is to promote the adoption of procedures assessment of the risk That they are proportionate at dimensions And at the structure of the organization and to nature, within reach and the location from the its activities.

Some aspects of risk assessment involve procedures that fall under the meaning generally accepted of the term "due diligence".

The risk assessment procedures that enable the commercial organization Of identify carefully And Of give priority to the risks That needs to face, regardless of size, activities, customers or markets, they reflect Usually some basic features. These are:

- Supervision from the assessment of the risk from part of the top management.
- Resources adequate: they should reflect there scope of the activity of the organization And thereneed to identify and give priority to all the risks relevant.
- Identification of internal and external information sources that will allow you to evaluate And review the risk.
- Investigations Of due diligence.
- Accurate and appropriate documentation of the risk assessment and its conclusions.

As a commercial organization's business evolves, so will its risksof corruption that it faces and, consequently, also its assessment of risk. For example, the risk assessment that applies to national operations of a commercial organization may not be applicable when this enters a new market in one part of the world in which Not has ever operated Before.

The most common external risks can be classified into five broad groups: country, sector, transaction, opportunity commercial and commercial partnership:

- Country Risk : is highlighted by the perception of high levels of corruption, by the absence Of a legislation anti-corruption effectively implemented And

from inability of the government foreigner, of the average, from the community entrepreneurial local And from the society civil Of to promote effectively policies transparent in matter of procurement e investments.

- Sector risk : Some sectors are more at risk than others. Among the sectors most at risk is I am extractive industries And The infrastructure sector on wide stairs.
- Risk Of transaction : some types Of transaction behave greater risks, to such as charitable or political contributions, licenses and permits, and related transactions to public procurement.
- Risk Of opportunity Of business : such risks can to rise in projects Of high value or with projects That involve many contractors or intermediaries; or with projects That Not I am apparently undertaken to prices Of market, or That Not they have a clear objective legitimate.
- Business Partnership Risk: Some relationships may involve higher risk, such as the use of intermediaries in transactions with foreign government officials, consortium or joint venture partners, and relationships with politically exposed persons where the proposed business relationship involves, or is related to, , to a prominent public official.

An assessment of external corruption risks is intended to help decide how such risks can be mitigated by the procedures governing the operations or business relationships in question; but a corruption risk assessment should also examine the extent to which internal structures or procedures may themselves increase the level of risk. Commonly encountered internal factors may include:

- deficiencies in training, skills and knowledge of employees
- Bonus culture that rewards excessive risk-taking
- lack of clarity in the organization's policies and procedures regarding hospitality and promotional expenditure, as well as political or charitable contributions
- lack of clear financial controls

- lack of a clear anti-corruption message from top management.

Below, we identify the main risk areas for corruption, with an indication of the organizational functions involved and the risk areas.

Area	Functions organizational involved	Description activity sensitive	Area of Support	Area arisk	Authority involved
InformationAnd scientific – pharmaceutical planningnor is it check from the distribution of products	Marketing DevelopmentBusiness Direction tradethe	Distributionfree samples, medicines or pharmacy a doctors/ pharmacists Determinationand samples	Development Business Healthcare cross-border	Medical Marketingg Commercial Finance	Doctors Medicinesthis Ministries



		<p>object of distribution</p> <p>Verification of respect for standards of related law to the champions distributed</p>			
<p>Promotion and medicines / drugs ebrands reminder</p>	<p>Medical Marketing Director Comm.</p>	<p>Promotion medicines / production medicines of society through freebies etc.</p> <p>Approval of the means promotional predisposition and presentation of practice For obtaining of the authorisation one of the Ministry</p> <p>Activity functional a realize the half promotional</p>	<p>Development Business</p>	<p>Medical Marketingg</p> <p>Direction And commercialile</p> <p>Finance</p>	<p>Doctors and pharmacyyou</p>

Relationships with the customs English	Legal Commercial	Analysis of documents of transport Identification from the destination from the goods		Legal Commercial	Authority customs Public officials customs Police customs And
Sector payments and collections	Legal Office bursar	Analysis of payments Documents accountants Analyses from the legislation anti-money laundering		Commercial Marketingg	Authority English Providers Resale golds to detail



L. Due diligence

The commercial organization “Lo. Li Pharma International Srl” applies procedures due diligence, adopting a proportionate and risk-based approach towards people who perform or will perform services for or on behalf of the organization, in order to to mitigate the risks Of corruption identified.

Due diligence is an established element of good corporate governance and yes predicts That there two diligence relative at the prevention from the corruption face Often part Ofa broader due diligence framework. Due diligence procedures are both a form of assessment of risk Of corruption is a half For mitigate the risk.

As underlined In the present document, the procedures Of two diligence they must to beproportionate to the identified risk.

They can also be undertaken internally or by external consultants. A person "associated" to an organization commercial, as indicated in the section 8 of the Bribery Act, includes any

person That lend services For an organization commercial. Asexplained to paragraphs from 37 to 43 in the section "Government.

The definition is broad and can encompass a wide range of business relationships. But the appropriate level of due diligence to prevent corruption will vary greatly second of the risks arising from the relationship specific. As, to example, The appropriate level of due diligence required by a commercial organization when contracting for performance Of services computer scientists can to be Bass, For reflect the low risks Of corruption For his I count.In contrast, an organization that is selecting an intermediary to assist it in Setting up a business in foreign markets will typically require a level of two diligence much higher For to mitigate the risks Of corruption For his account. Organizations will need to be very careful when initiating certain relationships commercial, to cause from the details circumstances in which such relationships they come to create yourself The law or the conventions they impose use Of agents locals in circumstances in which can to bedifficult for a commercial organization go out From one situation Of conflict. The importance Of an accurate one two diligence And from



the mitigation of the risk Before Of any commitment And fundamental in these circumstances.

Due diligence is conducted using a risk-based approach. For example, in lower risk situations, the organization may decide that it is not necessary to conduct due diligence. In higher risk situations, the due diligence may include conducting direct investigations, indirect investigations or searches general information on proposed associated persons. An evaluation and a monitoring continuous from the people "associated" hired or hired, in proportion to the risks identified. In general, more information is likely to be requested from potentials And the people associated existing That I am constituted in form corporate (to example, the society) rather That give her people physical. That is And due to the Done That, to level Of basic, And likely That a greater number of individuals are involved in the provision of services by one society and that the exact nature of the roles of such individuals or other related bodies may not to be immediately evident. From consequence, there due diligence can behave there direct request for details on the training, skills and commercial experience of the subjects interested. These information can Then to be check through research And checking references , etc.

M. Communication And training

Communication and training discourage people from bribing associated increasing their awareness And there comprehension from the procedures of a commercial organization and the organization's commitment to their correctness application. There availability Of information contributes to give more effective The monitoring, the evaluation and review of corruption prevention procedures. Training provides the knowledge And the skills necessary For use the procedures of the organization and for face possible problems or issues tied at the corruption.

The content, language and tone of internal communications may vary to that For use external in answer to the different relationship That The public has with the organization commercial. The nature of communication will vary greatly between



organizations commercial in basic to the different risks Of corruption faced, at dimensions of the organization And within reach and to nature of its activities.

Internal communications need to convey the “tone from above,” but chances are, yes also focus on the implementation of the organization's policies and procedures and on implications for employees. This communication includes policies on particular areas such as decision making, financial control, hospitality and promotional expenses, payments benefits, training, charitable and political donations, sanctions for violation of the rules and the articulation of managerial roles at different levels. Another important aspect from the communication internal And there definition Of a half Safe, Reserved And accessible For theset off internal or external For to lift doubts on the corruption from part Of people associated, For provide suggestions for improving prevention procedures and controls corruption and to request advice. These so-called "speak up" procedures can amount to a very useful management tool for commercial organizations with different operations that can be in many countries. If these procedures must for to be effective, needs to be there an adequate one protection For those That they report the problems.

External communication of corruption prevention policies through a declaration or codes of conduct, for example, can reassure associated people existing and potential and can act as a deterrent to those seeking bribery For I count Of an organization commercial. Such communications can to include information on procedures And on controls For their prevention from the corruption, on sanctions, on results of the investigations internal e on results of the controls.

A commercial organization may consider it proportionate and appropriate to communicate the own policies anti-corruption And Their own commit in the They comparisons to a public more broad, such as to other organizations in your sector and to sector organizations that would not fall within the scope of associated persons, or to the general public.

Like all procedures, training must be proportionate to the risk, but some training is likely to be effective in firmly establishing an anti-corruption culture, regardless of the

level of risk. Training can take the form of education and awareness raising about the threats posed by corruption in general and in the sector or areas in which the organization operates in particular, and the various ways in which it is addressed.

General training may be mandatory for new employees or agents (on a risk-adjusted basis) as part of a training program.

Consideration should also be given to tailoring training to the specific needs of those involved in speak up procedures and higher risk functions, such as purchasing, procurement, distribution and marketing and working in high risk countries. high risk. Effective training is ongoing and regularly monitored and evaluated.

It may be appropriate to require associated people to undergo training. This will be especially important for people associated with high risk. In any case, organizations may wish to encourage associated individuals to adopt corruption prevention training.

Today, there are many different training formats available beyond traditional classroom or seminar formats, such as e-learning and other web-based tools. But whatever the format, the training must achieve the goal of ensuring that participants develop a solid understanding of what is relevant to the system.

N. Monitoring And revision

The Lo . Li Pharma International Srl monitors and reviews procedures aimed at preventing corruption aside Of people ad it associated and brings improvements where necessary.

The corruption risks that a commercial organization faces can change In the time, Like this as there nature And there scope from the his activity; Therefore, And likely That Also the procedures necessary For to mitigate such risks they are adapt to the change. There It . TherePharma International Srl monitors and evaluates the effectiveness of its procedures prevention of corruption and adapts it where necessary. Exists a wide range Of mechanisms Of revision interior and external That the organizationscommercial they



might consider Of use. THE systems established For discourage, locate e to investigate on the corruption And to monitor there quality ethics from the transactions, as the mechanismsOf check financial internal, they will contribute to supply a vision of effectiveness from the procedures designed.

Staff surveys, questionnaires and training feedback can too constitute an important source Of information on effectiveness And a half with which the employees And the other people associated can inform The continuous improvement from the policies anti-corruption.

The Lo . Li Pharma International Srl takes into consideration periodic reviews and reports formal for the top management.

Furthermore, there It . There Pharma International Ltd takes in consideration there possibilityOf request a form of verification or Of external insurance of results obtained.



6. REGULATION OF SENSITIVE PROCESSES THROUGH PREVENTIVE PROTOCOLS

The mapping of the areas and activities at risk of crime, described in the **Special Part** , has made it possible to define the sensitive processes, in whose phases, sub-phases or activities the conditions, circumstances or means for the commission of crimes could in principle be verified , also in an instrumental way to the concrete realization of the crime.

With reference to these processes, the Board of Directors deems it absolutely necessary and a priority that the adopted "Preventive Protocols" are respected when carrying out operational activities, as they are considered suitable for preventing Crimes through:

- the separation of operational tasks through a correct distribution of responsibilities and the provision of multiple levels of authorization and control, in order to avoid functional overlaps or operational allocations that concentrate critical activities on a single subject (in any case the final signature of the legal representative for any formalization of corporate wishes or spending commitments);
- the clear and formalized assignment of responsibilities and powers, with express indication of the exercise limits and in coherence with the tasks assigned and the positions held within the organizational structure;
- the formalization of ethical and behavioral rules suitable to guarantee the exercise of company activities in compliance with the laws and regulations and the integrity of the company assets and of the subjects protected by the criminal laws of the predicate crimes;
- the "proceduralization" of Activities at risk of crime, in order to:
 - define and regulate the methods and timing of carrying out the activities themselves;
 - guarantee the traceability of deeds, operations and transactions through adequate documentary support which certifies the characteristics and motivations of the operation and identifies the



- subjects involved in the operation in various capacities (authorization, execution, registration, verification of the operation);
- guarantee, where necessary, the "objectification" of decision-making processes and limit company decisions based on subjective choices not linked to predefined objective criteria;
 - the establishment, execution and documentation of control and supervision activities on activities at risk of crime;
 - the existence of security mechanisms that guarantee adequate protection of information from physical or logical access to the data and assets of the company information system, in particular with reference to management and accounting systems.

7. TRAINING AND INFORMATION OF EMPLOYEES

The Company, aware of the importance of the training and information aspects as a preventive protocol of primary importance, works to ensure that the staff is aware of both the content of the Decree and the obligations deriving from it, and of the Model.

For the purposes of implementing the Model, training, awareness-raising and information activities for staff are managed by the competent company function in close coordination with the Supervisory Body and with the managers of the other company functions involved in the application of the Model.

The training, awareness and information activity concerns all staff, including top management, of the Company.

The information and training activities must be planned and carried out both at the time of hiring or at the beginning of the relationship, and on the occasion of changes

in the person's function, or modifications to the Model or further factual or legal circumstances that determine the need for it in order to guarantee the correct application of the provisions set out in the Decree.

In particular, following the approval of the Model and following any significant update thereof, the following is envisaged:

- a communication to all staff employed by the state regarding the adoption of this document;
- subsequently, to new hires, the delivery of an information *set* , containing references to the Model and the related Prevention Protocols, in compliance with the company practices adopted for other regulations, such as privacy and information security;
- the signing by the Employees of the specific form for acknowledgment and acceptance;
- the planning of a specific training activity with reference to the managers of company functions and services .

In order to guarantee the effective dissemination of the Model and the information of personnel with reference to the contents of the Decree and the obligations deriving from its implementation, a specific area of the company IT network dedicated to the topic and updated (in which are present and available, in addition to the documents that make up the information *set* previously described, also the forms and tools for reporting to the Supervisory Body and any other potentially relevant documentation).

8. INFORMATION TO OTHER THIRD PARTIES

The other Recipients, in particular suppliers and consultants, are provided by the functions having institutional contacts with them, under the coordination of the



Supervisory Body , with specific contractual clauses which inform on the policies and procedures adopted by the Company on the basis of the Model, of the Code of Ethics, the Anti-Corruption Code of Conduct, the Code of Conduct towards the Public Administration and the Code of Conduct for the sale of food supplements and medical devices, as well as on the consequences that behaviors contrary to these documents can have with regard to contractual relationships.

Where possible, specific clauses aimed at regulating these consequences are included in the contractual texts, such as termination clauses or withdrawal rights in the event of behavior contrary to the rules of the Code of Ethics and/or Model Protocols.

9. DISCIPLINARY SYSTEM GUIDELINES

Necessary conditions to guarantee the effectiveness of the Model and efficient action of the Supervisory Body is the definition of a system of sanctions commensurate with the violation of the Protocols and/or further rules of the Model or of the Code of Ethics, as well as of the company operating procedures which regulate the functioning of the Company's " *core* " processes. This disciplinary system constitutes, in fact, pursuant to art. 6, paragraph 1, letter e) of Legislative Decree 231/2001, an essential requirement for the purposes of exemption from the Company's liability.

The disciplinary system must provide sanctions for each Recipient, taking into consideration the different types of relationships. In fact, the system, as well as the Model, is aimed at top management personnel, all employees, collaborators and third parties who operate on behalf of the Company, providing for adequate disciplinary sanctions in some cases and of a contractual/negotiating nature. in others.

The application of the disciplinary system and the related sanctions is independent of the existence and outcome of the criminal proceedings possibly initiated by the Judicial

Authority in the event that the behavior to be censured also serves to integrate a type of relevant crime pursuant to Legislative Decree. Legislative Decree 231/2001.

In order to clarify in advance the correlation criteria between the workers' shortcomings and the disciplinary measures adopted, the Board of Directors classifies the actions of top managers, subordinates and other third parties into:

1. behavior such as to indicate a failure to execute the orders given by the Company both in written and verbal form, such as for example:
 - violation of internal written or verbal procedures, regulations, instructions;
 - violation of the Code Ethical ;
 - violation, circumvention or culpable deactivation of one or more Protocols;
2. behaviors such as to identify a serious breach of discipline and/or diligence in work such as to radically undermine the Company's trust in the author, such as the adoption of behaviors referred to in the previous point 1. directed in an unequivocal manner to the commission of a Crime or to represent the appearance of one to the detriment of the Company, as well as repeated violations of company operating procedures;
3. conduct such as to cause serious moral or material harm to the Company such as not to allow the continuation of the relationship even on a temporary basis, such as the adoption of conduct which constitutes one or more Crimes or inherent illicit facts prerequisites of the Crimes, or conduct referred to in the previous points 1. and 2. committed with intent.

10. SUPERVISORY BODY

10.1. *The identification of the Supervisory Body*



Article 6, letter b) of Legislative Decree 231/2001 requires, as a condition for obtaining exemption from administrative liability, that the task of supervising the functioning and observance of the indications of the Model as well as ensuring its updating , is entrusted to a body within the Company with autonomous powers of initiative and control.

The autonomy and independence required by the law presuppose that the SB , in carrying out its functions, is placed in an equal functional position with the entire Board of Directors.

In consideration of the specificity of the tasks carried out by the SB , which will have to carry out the supervisory and control functions envisaged by the Model, the relevant task is entrusted to an ad hoc body, established by the Board of Directors as per the resolution approving the Model.

In carrying out its supervisory and control tasks, the Company's SB is normally supported by all company functions and can make use of other external functions and professionals that, from time to time, may be necessary for this purpose.

10.2. *Architecture and Composition of the Supervisory Body*

Doctrine and practice have developed various and heterogeneous solutions regarding the possible architecture and composition of the SB , also taking into consideration the dimensional characteristics of the entity, the related *corporate governance* rules and the need to achieve a fair balance between costs and benefits.

In this regard, the Board of Directors analyzed the solutions hypothesized by the trade associations and the legal and organizational consultants of the Company itself, in order to identify the strengths and possible contraindications of the various solutions proposed.



For the purposes of choosing the Supervisory Body, it was deemed appropriate to evaluate, with reference to each of the hypothesized solutions, the existence of the following characteristics:

- autonomy and independence of the body and its members understood as:
 - autonomous functional subjectivity of the organism itself;
 - possession of autonomous powers of initiative and control;
 - absence of operational tasks;
 - placement in a staff position on the Board of Directors;
- professionalism, understood as a wealth of knowledge, tools and techniques that the Organization, through its members, must possess:
 - adequate specialist expertise in inspection and consultancy activities (statistical sampling, risk analysis and assessment techniques, risk containment measures, *flow charting* of procedures, processes, knowledge of law and administrative accounting techniques, etc.).

In consideration of the elements illustrated above and having specific regard to the structure and operations of the Company, the Board of Directors deemed that the solution that best guarantees compliance with the requirements set out in the Decree is represented by conferring the duties and powers of the Supervisory Body , pursuant to Legislative Decree 231/2001 to a single external member, the lawyer. Giuseppe Castellano.

Taking into account the peculiarity of the responsibilities attributed to the Supervisory Body and the specific professional contents required by them, in carrying out its supervisory and control tasks, the Supervisory Body is supported by all internal company functions and can also make use of the support of external subjects whose professional contribution is necessary from time to time.

The Body, in turn, regulates the rules for its functioning, formalizing them in specific regulations, as well as the methods for managing the necessary information flows (see in this regard the "Regulations of the Supervisory Body) .

With the resolution approving this Model and appointing the Supervisory Body, it is irrevocably assigned the financial resources necessary to best carry out its function. Spending power is expressed in accordance with current corporate processes on the subject.

10.3. *Term of office, disqualification and replacement of members*

The Board of Directors made the first appointment of the members of the Supervisory Body through a specific resolution dated 10/26/2018 which determines their term of office of 1 year. The Board of Directors subsequently appointed the monocratic Supervisory Body with resolution dated 5/10/2022 with duration until 31 December 2024.

The designated members of the Body remain in office for the entire duration of the mandate received regardless of the change in composition of the Board of Directors that appointed them. This principle does not apply when the renewal of the Board of Directors depends on the occurrence of illicit facts which have generated (or may generate) the liability of the Company, in which case the newly elected Board of Directors will re-determine the composition of the Supervisory Body .

The Board of Directors is also responsible for periodically evaluating the adequacy of the Supervisory Body in terms of organizational structure and powers conferred, making, through board resolution, the changes and/or additions deemed necessary.

For the purposes of evaluating the autonomy and independence requirements, the members of the Supervisory Body , from the moment of appointment and for the entire duration of the office:

1. they must not hold executive or delegated positions on the Board of Directors of the Company;

2. they must not carry out executive functions on behalf of the Company;
3. they must not have significant business relationships ⁸⁸with the Company, except for the pre-existing employment relationship, nor have significant business relationships with directors with delegated powers (executive directors);
4. they must not be part of the family unit of the executive directors or of one of the Company's shareholders;
5. they must not be owners, directly or indirectly, of shareholdings exceeding 5% of the share capital with voting rights of the Company, nor sign up to shareholder agreements having as their object or effect the exercise of control over the Company;
6. they must not have been convicted, or be subjected to investigation, for crimes the Model aims to prevent.

The members of the Supervisory Body are required to sign ~~on an annual basis~~, a declaration certifying the continuation of the autonomy and independence requirements referred to in the previous point and, in any case, to immediately communicate to the Board and to the Supervisory Body itself the onset of any hindering conditions.

In addition to the event of death, those who:

- fall under the hypotheses of incompatibility referred to in the previous points;
- are declared incapable, interdicted or incapacitated by law;
- are sentenced to a penalty that entails disqualification, even temporary, from holding public offices or the inability to exercise managerial roles.

Failure to meet the requirements of eligibility, integrity and professionalism required for the position of member of the Supervisory Body entails automatic forfeiture from the position itself.

⁸⁸ Business relationships that exceed 15% of the business volume of the professional or of the firm in which he is associated are considered "significant" .

Without prejudice to the cases of automatic disqualification, the members of the Body cannot be revoked by the Board of Directors except for just cause.

They represent hypotheses of just cause for revocation:

- failure to attend more than two consecutive meetings without justified reason;
- the termination of the employment relationship, where the member is also an employee of the Company or of a subsidiary or associated company;
- the subjection of the member to disqualification or disqualification procedures, or insolvency proceedings;
- the accusation in criminal proceedings with charges of crimes which provide for a penalty involving disqualification, even temporary, from public offices or the inability to exercise managerial roles.

In the event of resignation or automatic forfeiture of a member of the Body, the latter will promptly notify the Board of Directors which will take the appropriate decisions without delay, appointing a new member.

Supervisory Body is obliged to promptly communicate to the Board of Directors the occurrence of one of the hypotheses from which the need to replace a member of the Body arises.

The Supervisory Body is considered to have lapsed in its entirety, i.e. all its members lose their office if the majority of the members themselves cease to exist due to resignation or other causes. In this case, the Board of Directors will re-appoint all members.

For at least two years from the termination of the office, the members of the Supervisory Body cannot have significant business relationships with the Company or with other controlled or associated companies, with the exception of any subordinate employment relationship already existing before becoming a member of the SB .



"Business relationships" do not include employment relationships, organic representation, being a member of boards of directors, exercising union or accounting control body control activities within the Company. , if said roles already existed, even in different positions, before assuming the role of member of the Supervisory Body. For the purposes of this document, business relationships that exceed 15% of the business volume of the professional or the firm in which he is associated are considered "significant".

10.4. *Rules of convocation and functioning*

The rules for convening and functioning of the Supervisory Body are formulated in specific regulations which, in compliance with the principles of autonomy and independence, the SB himself internally draws up and approves .

Therefore, to know the operational aspects regarding the functioning and roles within the Body, please refer to the Regulations of the Supervisory Body.

10.5. *The functions and powers of the Supervisory Body*

The ultimate responsibility for the adoption of the Model and all operational decision-making aspects relating to the organization, management and system of internal company controls lies with the Board of Directors, as the body responsible for organizational adequacy pursuant to article 2381 of the Civil Code.

While the Supervisory Body has the task of supervising:

- on the effectiveness and adequacy of the Model in relation to the company structure and the actual ability to prevent the commission of Crimes;
- on the effective observance of the provisions of the Model by the Corporate Bodies, Employees and other Recipients, in the latter case also through the competent corporate functions;
- on the opportunity to update the Model itself, where there are needs to adapt

it in relation to changed company and/or regulatory conditions.

As regards the methods of implementing the tasks set out above, the Supervisory Body refers to its own Regulation in which the supervisory tasks are better specified in relation to the effectiveness, effectiveness and opportunities for updating the Model.

For the purposes of carrying out the role and function of the Supervisory Body, the Board of Directors assigns the powers of initiative and control, the budget and the prerogatives necessary to guarantee the Body itself the possibility of carrying out the activity supervising the functioning and observance of the Model and updating it in compliance with the provisions of the Decree.

10.6. *Reporting to the Corporate Bodies*

The Supervisory Body reports directly to the Board of Directors regarding the implementation of the Model and the detection of any critical issues. For full compliance with the dictates of the Decree, the Supervisory Body reports directly to the Board of Directors, in order to guarantee its full autonomy and independence in carrying out the tasks entrusted to it.

The Supervisory Body annually presents to the Board of Directors the activity plan for the following year, which may be the subject of a specific resolution.

The Supervisory Body presents the final report on the activities carried out in the past year to the Board of Directors on an annual basis, justifying the deviations from the preventive activity plan.

The reporting concerns the activity carried out by the Supervisory Body and any critical issues that have emerged both in terms of behavior or events within the Company and in terms of the effectiveness of the Model.

The Supervisory Body proposes to the Board of Directors, based on the critical issues



found, the corrective actions deemed appropriate in order to improve the effectiveness of the Model.

In cases of urgency or when requested by a member, the Supervisory Body is required to immediately report to the Board of Directors regarding any critical issues encountered.

The annual report must have as its subject:

- the activity carried out, indicating in particular the monitoring carried out and the outcome of the same, the checks carried out and the outcome of the same, any update of the assessment of the Activities at risk of crime;
- any critical issues (and ideas for improvement) that have emerged both in terms of internal behaviors or events and in terms of the effectiveness of the Model;
- the planned corrective and improvement interventions and their state of implementation.

The meetings with the corporate bodies to which the SB reports must be minuted and a copy of the minutes must be kept by the SB and the bodies involved from time to time.

Where the Supervisory Body reports on an occasion for which minutes are required to be recorded in the minutes book of the Board of Directors, the Supervisory Body will not be required to draw up minutes in its meeting book, but a copy of the minutes will be archived by the Supervisory Body itself. of the Corporate Body.

The Board of Directors, the President and CEO have the right to convene the SB at any time .

The Supervisory Body must also coordinate with the competent functions present in the Company for the various specific profiles.

10.7. *Information flows to the Supervisory Body*

The Supervisory Body must be informed, through information flows from Directors, Auditors, Top Management Staff and subjected to events and aspects of ordinary and extraordinary activity that could be of interest to the Body itself.

In the corporate context, the information/data/news identified by the Supervisory Body itself and/or requested by it from Company personnel must be communicated to the Supervisory Body on a periodic basis; this information must be transmitted within the times and in the ways that will be defined by the Body itself ("information flows").

The regulation of information flows towards the Supervisory Body, with the identification of the information that must be communicated and the methods of transmission and evaluation of such information, as mentioned, is defined by the SB . However, the information concerning the following must be communicated to the Supervisory Body:

- documentation relating to the approval of the financial statements (financial statements, reports and notes on corporate bodies and functions);
- changes to organizational charts and corporate function charts ;
- changes to the system of delegations and powers;
- new products and services;
- inspections by public or supervisory authorities (ASL, Arpa, VVdFF , Revenue Agency, etc.);
- provisions and/or information coming from judicial police bodies, judicial authorities or any other authority, from which it is clear that investigations have been carried out for Crimes, also initiated against the Company, top management or subordinate personnel of the Company, or of unknown persons (in compliance with current privacy provisions and the protection of investigative secrecy);
- reports prepared by the Corporate Bodies as part of their control activity, from



which facts, acts, events or omissions with risk profiles may emerge with respect to the administrative liability regime of the entities referred to in the Decree relating to the Company;

- disciplinary proceedings for violation of the model, code of ethics and/or company regulations;
- audits and management system certification reports;
- news relating to emergencies regarding safety in the workplace and environmental matters;
- accidents in the workplace and related events;
- environmental accidents and related events;
- training courses (231, hygiene and safety, privacy & security, environment and other subjects relevant to the prevention of legal risks)
- any exceptions to company procedures, regulations or rules.

10.8. Reports to the Supervisory Body (whistleblowing)

The Company provides an internal reporting channel for reporting, the prohibition of retaliation and a disciplinary system compliant with Legislative Decree 24/2023 implementing Directive (EU) 2019/1937 of the European Parliament and of the Council, of 23 October 2019, “ concerning the protection of people who report violations of European Union law and containing provisions regarding the protection of people who report violations of national regulatory provisions ” (“Whistleblowing Decree”).

The Company, pursuant to the Whistleblowing Decree, has adopted the Whistleblowing Procedure, which regulates the process of receiving, analyzing and processing reports and which, in compliance with the provisions of the legislation in question, provides for an internal reporting channel suitable to guarantee the confidentiality of the identity of the whistleblower (the “Whistleblowing Procedure”).

The Whistleblowing Procedure provides that the Supervisory Body must be informed and consulted in relation to reports from Employees, Corporate Bodies, Service Companies, Consultants, Suppliers and Partners regarding events that could give rise



to liability of the Supervisory Body. .There . Pharma International Srl pursuant to Legislative Decree 231/2001, as well as in relation to events that could constitute violations of the Code of Ethics and anything else that may be useful for the purposes of carrying out the tasks of the Supervisory Body ("reports") .

In particular, the following circumstances must be reported:

- illicit conduct, relevant pursuant to Legislative Decree 231/01;
- provisions and/or information coming from judicial police bodies, or from any other authority, from which it is clear that investigations are being carried out, even against unknown persons, for Crimes;
- violations of the Model, the Code of Ethics or preventive protocols which could give rise to a risk of sanctions for the Company pursuant to the Decree;
- suspicions of violations of the Model, the Code of Ethics or preventive protocols which could give rise to a risk of sanctions for the Company pursuant to the Decree;
- corporate or business operations for which it is suspected that a risk of sanctions may arise for the Company pursuant to the Decree;
- information relating to disciplinary proceedings carried out and any sanctions imposed (including measures against Employees) or measures to dismiss such proceedings with the related reasons;
- evidence of any critical issues or conflicts of interest arising within the relationship with the PA;
- any situations of irregularity or anomalies found by those who carry out a control and supervision function on obligations related to the performance of sensitive activities (payment of invoices, destination of funding obtained from the State or community bodies, etc.);
- judicial, tax and administrative inspections (e.g. relating to regulations regarding the protection of safety and hygiene in the workplace, tax audits, INPS, etc.) in the event that the final report highlights critical issues affecting the company (transmission by the manager of the function involved);
- other relating to the protection of safety and hygiene in the workplace and the



environment (list of accidents, accident report, new appointments, special inspections, etc.).

- Further mandatory information flows are defined by the SB in agreement with the company functions responsible for their transmission.

10.9. *Methods of transmission and evaluation of information flows and reports*

With reference to the methods of transmission of information/data/news, the following provisions apply.

The information flows must reach the Supervisory Body by the managers of the various company functions using the methods defined by the Body itself, including certified email to the odvlolipharmaint@legalmail.it box.

Reports which concern the evidence or suspicion of violations of the Model, the Code of Ethics or the Preventive Protocols must be received in writing by the Recipients of the Model, even anonymously, using the methods defined by the Body itself, including including the use of the platform made available to Lo.Li. Pharma International whose address is <https://lolipharmainternational.com/model-231-social-responsibility/accessible> via the company website. Reports may also be received through a specific direct meeting with the reporting party set within a reasonable time or in written form with confidential reporting of the report to guarantee confidentiality. In this case the report will be inserted by the Supervisory Body in two closed envelopes, the first with the reporting person's identification data and the latter's identification document, the second with the report and will be kept by the Supervisory Body .

The methods of evaluation and management of reports are regulated according to the ANAC guidelines approved with Resolution no. 311 of 12 July 2023, as well as by the Operating Regulations of the Supervisory Body, drawn up and approved independently by the Supervisory Body itself .



The Supervisory Body ensures the confidentiality of the information it comes into possession of, in particular if relating to strategic operations of the Company or alleged violations of the Model (in compliance with the provisions of the Whistleblowing Decree).

The Supervisory Body also refrains from using confidential information for purposes other than those referred to in the previous paragraphs and in any case for purposes not compliant with the supervisory functions, except in the case of express and conscious authorization.

Whistleblowers cannot suffer any retaliation and, in this regard, the Whistleblowing Decree provides for the provision of support measures for whistleblowers as well as the possibility for the latter to communicate to ANAC the retaliation they believe they have suffered as a result of a report . Protection is guaranteed not only to the whistleblower but also to people other than the whistleblower, such as the facilitator (person who assists the whistleblower in the reporting process operating within the same work context) or the people mentioned in the report.

In any case, the Company adopts all necessary measures to ensure that the prohibition of retaliatory or discriminatory acts, direct or indirect, against the whistleblower for reasons connected, directly or indirectly, to the report is ensured.

10.10. Reporting system obligations and requirements (whistleblowing)

All Recipients (such as by way of example: Top Management, Subordinates and third parties who operate in the interest or advantage of the Company), have the obligation to present, to protect the integrity of the Company, detailed reports of any illicit conduct, relevant pursuant to Legislative Decree 231/2001, who in good faith, on the basis of reasonable belief based on factual elements, believe that violations of the Organization and Management Model adopted by the Company have occurred, of which they became aware in reason for the functions performed.



The reports must be detailed and based on precise and consistent factual elements.

The whistleblowing reporting system is organized through a specific procedure and an alternative communication/reporting channel, different from the channel inherent to information flows (the latter internal to the company's IT and telematic systems), suitable for guaranteeing, also with IT methods, the confidentiality of the identity of the reporter.

From this perspective, the default channel is the platform made available by Lo.Li. Pharma International . In any case, reports may be received through the channels indicated above which can only be accessed by external members of the Supervisory Body.

The Top Recipients are prohibited from carrying out retaliatory or discriminatory acts, direct or indirect, against the reporter for reasons connected, directly or indirectly, to the report.

10.11. *Discipline of secrecy*

whistleblowing procedure , the pursuit of the interest in the integrity of public and private administrations, as well as the prevention and repression of embezzlement and of illicit acts, constitutes just cause for revealing information covered by the obligation of secrecy referred to in articles 326, 622 and 623 of the penal code and in article 2105 of the civil code (as provided for by current law).

When news and documents that are communicated to the body responsible for receiving them from the *whistleblowing procedure* are the subject of corporate, professional or official secrecy, disclosure in ways exceeding the purposes of eliminating the offense constitutes a violation of the relevant obligation of secrecy. and, in particular, disclosure outside the communication channel specifically set up for this

purpose.

However, the obligation to respect professional and official secrecy remains for anyone who has become aware of the information due to a professional consultancy or assistance relationship with the Company or the bodies and functions responsible for managing the reports, which in the in compliance with the current *whistleblowing procedure* (and within the scope of their autonomy and independence) have asked for specialist opinions in support .

10.12. *Books of the Supervisory Body*

The SB establishes, through its own regulation, the methods of recording the activities carried out; these methods take into account the confidentiality obligations regarding the names of any whistleblowers and the verification investigations and the power of the Board of Statutory Auditors and the Board of Directors to consult only the minutes of the meetings and the periodic reports.

All information, notifications and reports provided for in this Model are stored by the Supervisory Body for a period of 10 years in a specific partition of the company file server accessible only by members of the Supervisory Body , or in a specific paper archive with access selected and limited to only the same members of the SB .

The access keys to the paper archive will be attributed only to the members of the Supervisory Body , who will have to return them immediately at the end of their assignment for any reason.

Access to the IT documents of the Supervisory Body with reading and writing powers must be allowed exclusively to members of the Supervisory Body itself.

Interests of the members of the Supervisory Body in the decisions of the Body itself

The methods for taking decisions in the event that one or more members of the Supervisory Body have an interest, direct or indirect, with respect to a decision to be



taken, are regulated within the Regulations of the Body; for such cases the SB establishes appropriate motivation obligations.

Reports concerning a member of the Supervisory Body

The methods of managing reports concerning one or more members of the Supervisory Body are regulated within the *whistleblowing procedure* .

In such cases, suitable information, verification and intervention activities are envisaged by other control bodies of the Company which ensure the correctness of processes and decisions.

10.13. *Recording of reports*

The Supervisory Body establishes, through its own regulation, the methods for recording reports relating to violations of the Model or of a Protocol (also governed by the *whistleblowing procedure*); these methods take into account the confidentiality obligations regarding the names of any whistleblowers and the verification investigations, in order to guarantee that such data and information cannot be consulted by people other than the members of the Supervisory Body themselves .