ORGANIZATION

MANAGEMENT AND CONTROL MODEL

Pursuant to Italian Legislative Decree no. 231 of June 2001

Adopted by the Managing Body of

NEXTA PROJECT DEVELOPMENT S.r.l. on [•] 2025

GENERAL PART

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Definitions

NPD or the Company: NEXTA PROJECT DEVELOPMENT S.r.l.;

CODE OF ETHICS: The NPD Code of Ethics is a code of conduct that applies to all companies in the Nexta Group.

COLLABORATORS: Persons who have a non-subordinate working relationship with the NPD, such as consultancy relationships and other relationships that result in a professional, non-subordinate service, whether on an ongoing or occasional basis;

DECREE: Legislative Decree No. 231 of 8 June 2001 as subsequently supplemented and amended;

RECIPIENTS: Directors, statutory auditors and members of NPD's corporate bodies, managers and employees of all levels of the Company, as well as collaborators and business partners, pursuant to specific contractual clauses and limited to the carrying out of sensitive activities in which they may participate;

DEPARTMENTS AND DIVISIONS: The company departments identified in NPD's organizational chart;

EMPLOYEES: Persons under the management or supervision of one of the senior executives; and all persons having an employment relationship of any kind with the NPD, as well as workers on secondment or those who are pseudo self-employed;

COMPUTER DOCUMENT: Any computer medium containing evidentiary data or information or programs specifically designed to process them;

MODEL 231: This organization, management and control Model pursuant to the Decree;

SUPERVISORY BODY: NPD's supervisory body set up pursuant to Article 6 of the Decree by resolution of the Managing Body of the Company;

BUSINESS PARTNERS: Companies, associations, enterprises in general (including in the form of temporary associations or joint ventures), entities, organizations, self-employed persons, etc. which have business relationships or any other type of contractual relationship, including on an occasional basis, with NPD;

PROCEDURES: A set of internal policies, procedures, rules and regulations that govern the stages, manner of performance, responsibilities and controls of specific business activities or types of operations or activities;

SENSITIVE PROCESS/ACTIVITY: the set of activities and business operations organized in order to pursue a certain purpose or manage a certain part of the business within NPD, in areas potentially at risk of the commission of one or more offences referred to in the Decree, as listed in the Special Part of the Model, also referred to generally and overall as area(s) at risk;

OFFENCES: Offences for which the law lays down the administrative liability of the entity;

SENIOR EXECUTIVES: Persons who perform, including on a *de facto* basis, the functions of representation, administration or management and control of NPD.

1. Foreword

NPD, aware of the need to ensure conditions of fairness and transparency in the conduct of business and business activities, as well as in order to protect its position and image, the expectations of its shareholders and stakeholders and the work of its employees, has considered it consistent with its company policies to adopt and implement the model of organization, management and control under Italian Legislative Decree no. 231/2001 (hereinafter, also referred to as “Model 231”).

In the drafting of this Model 231, the Company was inspired by the Guidelines issued by Confindustria [Italian Employers’ Organisation] and approved by the Italian Ministry of Justice, as well as guidance from the principal case law in this area. In particular, the following basic principles were followed:

- identification of areas at risk, aimed at verifying the area/business sector in which the offences provided for in the Decree may be committed;
- the establishment of a control system to prevent the risks of such offences by adopting specific protocols.

Any discrepancy with the content of the Guidelines does not in itself affect the validity of Model 231, as it describes the specific reality of the Company. The latter can, naturally, be different from the Guidelines, which are general in nature, where specific needs for protection and prevention arise.

2. Description of the regulatory framework

2.1. Introduction

Italian Legislative Decree no. 231/2001, enacted pursuant to the power conferred on the Government by Article 11 of Italian Law no. 300 of 29 September 2000, lays down the rules on the "*liability of entities for administrative offences related to criminal activity*", which apply to entities with legal personality as well as to businesses and associations without legal personality[1].

The genesis of the Decree can be found in certain international and EU conventions ratified by Italy that make it necessary to introduce into law forms of liability for organisations as regards certain offences. Such entities, in fact, can be held "liable" for certain offences, whether committed or attempted, also in the interest or for the benefit of the same, by representatives of the company's top management (those "in senior executive positions" or simply “senior executives”) and those who are subject to the latter’s supervision (Article 5(1) of Italian Legislative Decree no. 231/2001)[2].

Italian Legislative Decree no. 231/2001 therefore makes an innovative change to the Italian legal system in that entities are now directly and autonomously subject to both pecuniary and disqualification sanctions in relation to offences committed by persons connected to the entities in the manner described in Article 5 of the Decree.

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[2] Public economic entities and private entities awarded a concession to provide a public service come within this scope, while non-economic public entities and entities performing constitutionally significant functions are excluded therefrom, as are the State and local authorities.

[2] Article 5(1) of Italian Legislative Decree no. 231/2001: “Liability of the entity — The entity will be liable for offences committed in its interest or for its benefit: (A) by persons representing, administering or managing the entity or an organizational unit of the entity with financial and functional autonomy, and by persons effectively managing and controlling the entity; (b) by persons under the direction or supervision of one of the persons referred to in point (a)”.

The administrative liability of the entities is independent of the criminal liability of the natural person who committed the offence; thus, it does not replace, but rather it is in addition to, the personal liability of the individual offender.

In any event, the entity will not be liable if the senior executives and/or their subordinates acted in the sole interest of themselves or of third parties[3].

2.2. Nature of the liability of entities

With reference to the nature of administrative liability of entities pursuant to Italian Legislative Decree no. 231/2001, the explanatory memorandum to the Decree emphasizes the "*birth of a tertium genus (third way) that combines the essential features of the criminal and administrative system in an attempt to reconcile the ground of preventive efficiency with the even more important one of maximum safeguards."*

Thus, Italian Legislative Decree no. 231/2001 introduced a form of 'administrative' liability into the Italian legal system – in accordance with the provisions of Article 27(1) of the Italian Constitution*, 'criminal liability is personal'* – yet with numerous points in common with 'criminal[4]*'* liability.

In this regard, reference is made, in particular, to Articles 2, 8 and 34 of Italian Legislative Decree no. 231/2001. Thus, it can be seen that Article 2 reaffirms the principle of legality typical of criminal law; Article 8 affirms the autonomy of the entity's liability *vis-à-vis* the determination of the liability of the individual offender; and Article 34 provides that such liability, dependent on the commission of a criminal offence, is established in the context of criminal proceedings and is therefore afforded the procedural safeguards specific to such proceedings. In addition, the punitive nature of the sanctions applicable to the Company should be considered.

2.3. Criteria for the attribution of liability

The commission of one of the offences is the first prerequisite for the applicability of the rules laid down in the Decree itself.

There are, in fact, additional conditions relating to the way in which the entity may be considered liable for the offence and which, depending on the nature of the offence, can be subdivided into criteria for attribution of liability of an objective and subjective nature.

Criteria of an objective nature require that:

- the offence was committed by a person whose functions connected him or her to the entity;
- the offence was committed in the interest or for the benefit of the entity.

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[3] Article 5(2) of Italian Legislative Decree No 231/2001: "Liability of the entity – the entity will not be liable if the persons referred to in paragraph 1 have acted in the sole interest of themselves or of a third party".

[4] In this regard, reference is made, in particular, to Articles 2, 8 and 34 of Italian Legislative Decree no. 231/2001. Thus, it can be seen that Article 2 reaffirms the principle of legality typical of criminal law; Article 8 affirms the autonomy of the entity's liability vis-à-vis the determination of the liability of the individual offender; and Article 34 provides that such liability, dependent on the commission of a criminal offence, is established in the context of criminal proceedings and is therefore afforded the procedural safeguards specific to such proceedings. In addition, the punitive nature of the sanctions applicable to the Company should be considered.

The perpetrators of the criminal offences in relation to which the entity may have administrative liability may therefore be:

- 'senior executives', such as legal representatives, directors, general managers but also those in charge of branch offices and managers of divisions or establishments;
- 'subordinates', typically employees, but also those from outside the entity who have been entrusted with a task under the direction and supervision of senior executives.

In order for the entity to become liable, it is therefore also necessary for the offence to have been committed in the *interest* or for the *benefit* of the entity.

In any event, the entity will not be liable if the offence was committed in the *sole interest of the perpetrator or* a *third party*.

Imputation criteria of a *subjective* nature relate to the question of the *mens rea* of the entity, which will be liable if the *appropriate standards* of sound management and control relating to its organization and the conduct of its business have not been adopted or respected. The *negligence* of the entity, and therefore the possibility of it being found liable, depends on the finding of an incorrect company policy or structural weaknesses in the company's organization that did not prevent the commission of one of the predicate offences.

Thus, the Decree excludes the possibility of the entity being liable if, *before the commission of the offence*, it has established and effectively implemented an 'organization, management and control model' (the Model) that is capable of preventing the commission of offences of the type that has been committed.

The Model exempts the Company from liability, whether the predicate offence was committed by a senior executive or a subordinate. However, for offences committed by senior executives, the Decree introduces a kind of *presumption of the entity's liability*, since it is envisaged that its liability will be excluded only if the entity proves the following (Article 6(1) of the Decree):

- The Managing Body has adopted and effectively implemented, before the commission of the facts, a model suitable for preventing offences of the kind that occurred;
- The duty of supervising the functioning of and compliance with the Model and of ensuring that the latter is regularly updated has been entrusted to a body of the entity with autonomous powers to act and to supervise (the Supervisory Body);
- The offences have been committed by fraudulently circumventing the Model;
- There was no lack of supervision or insufficient supervision by the Supervisory Body.

For offences committed by subordinates, the entity will only be liable if it is proved that '*the commission of the offence was made possible by* the *failure to comply with the management or supervisory obligations*' that are typically imposed on senior management.

In this case as well, however, the adoption and effective implementation of the Model prior to the commission of the offence, excludes the possibility of any breach of management or supervisory obligations and relieves the entity of any liability.

The adoption and effective implementation of the Model, while not a legal *obligation*, is therefore the only

instrument through which the entity can prove its lack of connection with the offences and, ultimately, be exempted from liability under the Decree.

2.4. The value of organizational, management, and control models in providing exemption from liability

The model therefore operates as an exemption of the entity's liability only if it is suitable for the prevention of the predicate offences and only if it is effectively implemented.

The Decree, however, does not set out the characteristics and contents of the Model analytically, but merely dictates some general principles and some essential elements of content.

In general – according to the Decree – the Model must provide, in relation to the nature and size of the organization, as well as the type of activity carried out, suitable measures to ensure that the activity is carried out in compliance with the law and to detect and eliminate risk situations promptly.

In particular, the Model must (Article 6(2) of the Decree):

- identify the activities in the context of which offences may be committed (so-called sensitive activities);
- provide for specific protocols to plan the training and implementation of the entity's decisions, in relation to the offences to be prevented;
- identify ways of managing financial resources to prevent the commission of criminal offences; the express provision regarding the subject of financial resources shows that the Decree places great emphasis on the internal rules of the management of financial resources, which are crucial to the entity's activity;
- provide for reporting obligations to the body responsible for monitoring the functioning of and compliance with the models (i.e. Supervisory Body);
- Introduce a disciplinary system to sanction breach of the measures set out in the Model.

Article 2-bis of the Decree also provides that, pursuant to the Italian Legislative Decree implementing Directive (EU)2019/1937 of the European Parliament and of the Council of 23 October 2019, the Model will contain the internal whistleblowing channels, the prohibition on retaliation and the disciplinary system adopted pursuant to paragraph 2.

With regard to the *effective implementation of the Model*, the Decree also provides for the need for a *periodic review* and *amendment* thereof, if significant breaches of its provisions are detected or if changes occur in the organization or activity of the entity.

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With reference to the health and safety offences in relation to which the administrative liability of the entity may arise, Italian Legislative Decree no. 81 of 9 April 2008 containing the Consolidated Law on Health and Safety at work establishes, at Article 30 (organizational and management models), that the organization and management model suitable for having the value of exemption from administrative liability, adopted and effectively implemented, must ensure a business system for the fulfilment of all legal obligations relating to:

a) compliance with legal technical and structural standards for equipment, plants, workplaces, chemical, physical and biological agents;

b) risk assessment activities and the preparation of related prevention and protection measures;

c) activities of an organizational nature, such as emergencies, first aid, procurement management, regular security meetings, consultation of workers' safety representatives;

d) health surveillance activities;

e) information and training activities for workers;

f) supervisory activities with regard to the compliance of workers with safety procedures and work instructions;

g) the acquisition of documents and certifications required by law;

h) regular checks on the application and effectiveness of the procedures adopted.

This organizational and management model, in accordance with the aforementioned Italian Legislative Decree no. 81/2008, must:

- also provide for appropriate systems for recording the performance of the abovementioned activities;
- in any event, to the extent required by the nature and size of the organization and the type of activity carried out, provide for a set of functions ensuring the technical expertise and powers necessary for the verification, assessment, management and control of the risk, as well as a disciplinary system to sanction non-compliance with the measures set out in the model;
- also provide for an appropriate control system on the implementation of the same model and on the maintenance over time of the conditions for the suitability of the measures taken. The review and possible amendment of the organizational model will be adopted when significant breaches of the rules on accident prevention and occupational hygiene are discovered or when changes in organization and activity are made in connection with scientific and technological progress.

Upon first application, business organization models will be presumed to comply with the requirements set out in the preceding subparagraphs for the corresponding parts if they are defined in accordance with the UNI-INAIL Guidelines for an Occupational Health and Safety Management System (*sistema di gestione della salute e sicurezza sul lavoro*, SGSL) of 28 September 2001 or the British Standard OHSAS 18001:2007. For the same purposes, additional business organization and management models may be provided by the Italian Standing Advisory Committee on Occupational Health and Safety.

2.5. Offences and wrongdoing which determine the administrative liability of entities

The entity can be held liable only for the offences expressly referred to in Italian Legislative Decree 231/2001, if such offences are committed in its interest or for its benefit by those persons defined in Article 5(1) of the Decree itself or in specific legal provisions that refer to the Decree, for example Article 10 of Italian Law no. 146/2006.

The following are the types of offences to which the Decree refers:

- Offences against the Public Administration (Articles 24 and 25 of the Decree)[5];
- Cybercrimes and unlawful processing of data (Article 24-*bis* of the Decree)[6];
- Organized crime offences (Art. 24-*ter* of the Decree)[7];
- Offences involving the counterfeiting of money, legal tender, and revenue stamps, and identifying instruments or marks (Article 25-*bis* of the Decree)[8];

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5 First group of offences originally identified by Italian Legislative Decree no. 231/2001, subsequently supplemented and amended pursuant to Italian Law no. 68 of 22 May 2015, Italian Law no. 3/2019, Italian Legislative Decree no. 75 of 14 July 2020, Italian Law no. 25/2002, Italian Law 1373/2003 and Italian Law no. 114/2024. These offences are: embezzlement of public funds (Article 316-bis of the Italian Criminal Code.), misappropriation of public payments (Article316-ter of the Italian Criminal Code), fraud (Article 640(2)no. 1 of the Italian Criminal Code), aggravated fraud for obtaining public payments (Article 640-bis of the Italian Criminal Code), computer fraud (Article 640-ter of the Italian Criminal Code), fraud in public supplies (Article. 356 of the Italian Criminal Code), embezzlement (Article 314 of the Italian Criminal Code), unfair destination of funds or movable objects (Article 314-bis of the Italian Criminal Code), embezzlement by profiting from the error of others (Article 316 of the Italian Criminal Code), extortion by a public official (Article 317 of the Italian Criminal Code), bribery in the performance of official functions or bribery in relation to acts contrary to official functions (Arts. 318, 319 and 319-bis of the Italian Criminal Code), bribery in judicial proceedings (Article 319-ter of the Italian Criminal Code), undue inducement to give or promise benefits (Article 319-quater Italian Criminal Code), bribery of persons holding public office (Article 320 of the Italian Criminal Code), punishment for the corrupting party (Article 321 of the Italian Criminal Code), incitement to bribery (Article 322 of the Italian Criminal Code), embezzlement, extortion, undue inducement to give or promise benefits, bribery and incitement to bribery of members of the International Criminal Court or other organs of the European Communities and of officials of the European Communities and of foreign states (Article 322-bis of the Italian Criminal Code), influence peddling (Article 346-bis of the Italian Criminal Code), interfering with freedom to tender (Article 353), interfering with the procedure for choosing the contractor (353-bis of the Italian Criminal Code).

6 Article 24-bis of the Decree, introduced by Italian Law no. 48 of 18 March 2008 615 617 (ratification and implementation of the Budapest Council of Europe Convention on cybercrime of 23 November 2001) provides for the administrative liability of the company in relation to the commission of criminal offences connected to computer systems; taking into consideration subsequent legislative modifications, the following provisions of the Italian Criminal Code apply: false information in electronic documents (Article 491-bis), diffusion or abusive installation of devices, abusive access to a computer or telematic system (Article 615-quarter), unlawful interception, prevention or interruption of computer or telecommunications communications (Article 617-quarter), possess, diffusion and installation of equipment to intercept, impede or interrupt computer or telematic communications (Article 617-quinquies), damaging computer information, data and programs (Article 635-bis), damaging public computer information, data and programs (Article 635-ter), damage to computer or telecommunications systems (Article 635-quater), possess, diffusion, and abusive installation of devices, software aimed at damaging or interrupting computer information (Article 635-quarter (1)),damage to public interest computer or telecommunications systems (Article 635-quinquies), computer fraud by the person providing electronic signature certification services (Article 640-quinquies). With reference to the offence referred to in Article 491-bis, this was amended by Italian Legislative Decree No 7/2016, which decriminalized computer forgery as regards acts between private individuals. Afterwards, Italian Law no. 133 of 18.11.2019 (Conversion into law, with amendments, of Italian Decree-Law No 105 of 21 September 2019) lays down urgent provisions regarding the perimeter of cybernetic national security) Article 1.11-bis, of Italian Decree-Law 21.09.2019, no. 105 made law by Conversion Law no. 133/2019, has introduced the offences referred to in Article 1(11), of the same Decree-Law in Article 24-bis of Italian Legislative Decree no. 231 of 8 June 2001, (Italian Law no. 133/2019 entered into force on 21.11.2019). With the conversion into law of Decree-Law no. 105 of 21 September 2019, in order to ensure a high security level of networks, information systems and IT services of collective interest, the Italian Parliament provided for the establishment of the so-called cybernetic national security perimeter (PSNC). The new rules apply to public authorities, national bodies and operators on which the exercise of an essential function of the State depends, namely the provision of a service essential for the maintenance of civil, social or economic activities which are fundamental to the interests of the State and whose malfunction, interruption - even partial - or misuse may harm national security. Italian Law no 90/2024, entered into force on 17 July 2024, approved the so called Cybersicurezza Decree, having the purpose to enhance national cybersecurity, thus modifying the related Articles in the Italian Criminal Code, with an increase in punishment and introducing, under paragraph 3 of Article 629 of the Italian Criminal Code the crime of "informatic blackmail", as mentioned under Article 24-bis of Legislative Decree no. 231/2001.

7 Article 24-ter of the Decree, introduced by Article 2, Co. 29, of Italian Law no. 94 of 15 07.2009, as amended by Italian Law 69/2015, establishes liability in relation to the offences of organized crime (Article 416 of the Italian Criminal Code), mafia-type associations, including foreign ones (Article 416-bis of the Italian Criminal Code), mafia vote-buying (Article 416-ter Italian Criminal Code), seizure of persons for the purpose of robbery or extortion (Article 630 of the Italian Criminal Code), association for the purpose of the illegal trafficking of narcotic drugs or psychotropic substances (Article 74 of Italian Presidential Decree No 309 of 9 October 1990), offences of illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or warlike weapons or parts thereof, explosives, clandestine weapons and several common firearms (Article 407(2)(a)(5) of the Italian Criminal Procedure Code).

- Offences against industry and commerce (Article 25-*bis*.1 of the Decree)[9];
- Corporate offences (Article 25-*ter.* of the Decree)[10];
- Offences for the purposes of terrorism or subversion of the democratic order (Article 25-*quater* of the Decree)[11];
- Offences against individual life and safety (Article 25-*quater*.1 of the Decree)[12];

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8 Article 25a was introduced into Italian Legislative Decree no. 231/2001 from Article 6 of the Italian Legislative Decree no. 350/2001, converted into law, with amendments, by Article 1 of Italian Law no. 409/2001. These are the offences of counterfeiting money, spending and introducing counterfeit money into the State, acting in concert with others (Article 453 of the Criminal Code), altering money (Article 454 of the Italian Criminal Code), spending and introducing counterfeit money into the State without acting in concert with others (Article 455 of the Italian Criminal Code), spending counterfeit money received in good faith (Article 457 of the Criminal Code), counterfeiting revenue stamps, introducing into the State, purchasing, holding or putting into circulation counterfeit revenue stamps (Article 459 of the Italian Criminal Code), counterfeiting watermarked paper used for the manufacture of legal tender or revenue stamps (Article 460 of the Italian Criminal Code), manufacture or possession of watermarks or instruments intended for the counterfeiting of money, revenue stamps or watermarked paper (Article 461 of the Criminal Code), use of counterfeited or altered revenue stamps (Article 464 of the Italian Criminal Code). Italian Law No. 99 of 23 July 2009 laying down 'Provisions for the development and internationalisation of enterprises, including with respect to energy' in Article 15, paragraph 7, amended Article 25-bis, which now also punishes the counterfeiting, alteration or use of trademarks or distinctive signs or of patents, models and designs (Article 473 of the Italian Criminal Code), as well as the introduction into the State and trade of products with false signs (Article 474 of the Italian Criminal Code). Finally, Italian Legislative Decree no. 125 of 21 June 2016 made amendments to Arts. 453 and 461 of the Italian Criminal Code.

9 Introduced by Article 15 of Italian Law No 99 of 23 July 2009. More specifically, these are the offences of interfering with freedom of industry or commerce (Article 513 of the Italian Criminal Code), unlawful competition with threats or violence (Article 513-bis of the Italian Criminal Code), fraud against national industries (Article 514 of the Italian Criminal Code), fraud in trading activities (Article 515 of the Italian Criminal Code), sale of non-genuine foodstuffs (Article 516 of the Italian Criminal Code), sale of forged industrial products (Article 517 of the Italian Criminal Code), manufacture and trade of goods made by usurping industrial property rights (Article 517-*ter* of the Italian Criminal Code), counterfeiting of geographical indications or designations of origin of agri-food products (Article 517-*quater* of the Italian Criminal Code).

10 This Article was introduced by Italian Legislative Decree no. 61/2002, amended by Italian Law no. 262/2005, Italian Law no. 190/2012, Italian Law no. 69/2019, Italian Law no. 38/2017 and Italian Law no. 3/2015. More specifically, these are the offences of false corporate communications (Article 2621 of the Italian Civil Code), minor wrongdoing (Article 2621-bis of the Italian Civil Code), false corporate communications by listed companies (Article 2622 of the Italian Civil Code), obstruction of control (Article 2625 of the Italian Civil Code), undue return of contributions (Article 2626 of the Italian Civil Code), illegal distribution of profits and reserves (Article 2627 of the Italian Civil Code), and unlawful transactions involving shares or equity interests of the company or its parent company (Article 2628 of the Italian Civil Code), transactions to the detriment of creditors (Article 2629 of the Italian Civil Code), failure to disclose a conflict of interest (Article 2629-bis of the Italian Civil Code), fictitious capital formation (Article 2632 of the Italian Civil Code), undue distribution of corporate assets by liquidators (Article 2633 of the Italian Civil Code), bribery between private individuals (Article 2635 of the Italian Civil Code), incitement to bribery among private individuals (Article 2635-bis of the Italian Civil Code), unlawful influence on the shareholders' meeting (Article 2636 of the Italian Civil Code), market rigging (Article 2637 of the Italian Civil Code), and obstructing the exercise of the functions of public supervisory authorities (Article 2638 of the Italian Civil Code).

11 Article 25-quater was introduced into Italian Legislative Decree no. 231/2001 by Article 3 of Italian Law no. 7 of 14 January 2003. These are 'crimes for the purpose of terrorism or the subversion of democratic order, provided for in the Criminal Code and in the Special laws', as well as crimes, other than those mentioned above, 'which have nevertheless been committed in violation of Article 2 of the International Convention for the Suppression of the Financing of Terrorism, done in New York on 9 December 1999'. The Convention punishes anyone who, illegally and maliciously, provides or raises funds knowing that they will be, even partially, used to perform: (I) acts intended to cause the death or serious injury of civilians, where the action is intended to intimidate a population, or to coerce a government or an international organization; (ii) acts constituting an offence within the meaning of the Conventions relating to: Flight and navigation safety, protection of nuclear material, protection of diplomatic agents, repression of attacks by the use of explosives. The category of 'offences for the purpose of terrorism or the subversion of democratic order, provided for in the Criminal Code and in the Special laws' is mentioned in a general manner, without indicating the specific rules the violation of which would result in its application. The underlying offences can be identified as Article 270-bis, etc. (Associations for the purposes of terrorism, including international terrorism or the subversion of the democratic order) which punishes those who promote, set up, organize, direct or finance associations that propose the carrying out of violent acts with terrorist or subversive aims, and Article 270-ter, etc. (Assistance to Associates) who punishes those who provide shelter or food, hospitality means of transport, means of communication to some of the persons who participate in associations with terrorist or subversive purposes.

12 Introduced by Article 8 of Italian Law no. 7 of 9 January 2006. This relates to the offences referred to in Article 583-bis (a) of the Italian Criminal Code and concerns practices involving the mutilation of female genital organs.

- Offences against the individual (Article 25- *quinquies* of the Decree)[13];
- Market abuse (Article 25-*sexies* of the Decree)[14];
- Transnational offences (Article 10 of Italian Law no. 146 of 16 March 2006)[15];
- Offences of manslaughter or serious or very serious injury committed in violation of the rules on the protection of health and safety at work (Article 25-*septies* of the Decree)[16];
- Offences of receiving stolen goods, money laundering and using money, goods or utilities of unlawful origin, as well as self-laundering (Article 25-*octies* of the Decree)[17];

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[13] Article 25- *quinquies* was introduced into Italian Legislative Decree no. 231/2001 by Article 5 of Italian Law no. 228 of 11 August 2003 and finally supplemented by Article 6(1) of Italian Law no. 199 of 29 October 2016. These are offences of reduction to or maintenance in slavery or servitude (Article 600 of the Italian Criminal Code), offences related to child prostitution and its exploitation (Article 600-bis of the Italian Criminal Code), child pornography and its exploitation (Article 600-ter of the Criminal Code), possession of pornographic material produced through the sexual exploitation of minors (Article 600-quater of the Criminal Code), virtual pornography (Article 600-quater.1 criminal code), tourist initiatives aimed at the exploitation of child prostitution (Article 600-quinquies criminal code), human trafficking (Article 601 criminal code), purchase and sale of slaves (Article 602 of the Italian Criminal Code), sexual violence (Article 609-bis of the Italian Criminal Code), sexual acts with minors (Article 609-quater of the Italian Criminal Code), corruption of minors (Article 609-quinquies of the Italian Criminal Code), group sexual violence (Article 609-octies of the Italian Criminal Code), solicitation of minors (Article 609-undecies of the Italian Criminal Code). In addition, Italian Law no. 199/2016, laying down 'Provisions on combating the phenomena of undeclared work, exploitation of labour in agriculture and wage realignment in the agricultural sector', included, among the predicate offences contained in Article 25-quinquies, the offence of unlawful intermediation and exploitation of labour (Article 603-bis of the Italian Criminal Code). This crime punishes the conduct of recruiting workers for the purpose of assigning them to work for third parties in exploitative conditions, taking advantage of their state of need, and the conduct of using, hiring or employing labour, subjecting workers to exploitative conditions and taking advantage of their state of need.

[14] The rule provides that the company may be held liable for the offences of insider dealing (Article 184 of the Italian Consolidated Law on Finance ('TUF')) and market manipulation (Article 185 of the TUF), introduced by Italian Law No. 62/2005, Italian Law No. 262/2005 and Italian Legislative Decree No. 107/2018. Pursuant to Article 187-quinquies of the TUF, the entity may also be held liable for the payment of a sum equal to the amount of the administrative fine imposed for the administrative offences of insider dealing (Article 187-bis of the TUF) and market manipulation (Article 187-ter of the TUF), if committed, in its interest or to its advantage, by persons falling within the categories of 'senior executives' and 'subordinates'. On 29 September 2018, the decree adapting to the European Market Abuse Regulation came into force, and, with it, important changes to Italian Legislative Decree no. 231/2001, although Article 25-sexies of the same decree, which mentions, among the offences, those relating to market abuse, remained absolutely unchanged. In addition to partially amending the predicate offences referred to in Articles 184 and 185 of the TUF, Article 187-quinquies introduces a new form of liability of the entity that is totally independent of that of the natural person who committed the offence (in the event of an offence committed in its interest and/or to its advantage, the entity is subject to an administrative fine of €20,000 to €15,000,000, or up to 15% of the turnover, when this amount exceeds €15,000,000): this applies both to conduct constituting insider dealing and to market manipulation.

[15] Introduced by Italian Law no. 146/2006 which ratified the Convention and the United Nations Protocols against Transnational Organized Crime adopted by the General Assembly on 15 January 2000 and 31 May 2001. The offences referred to in Article 10 of Italian Law No 146 of 16 March 2006 (criminal association, mafia-type association, association for the purpose of smuggling foreign processed tobacco, association for the purpose of illicit trafficking in narcotic drugs or psychotropic substances, illegal immigration offences, inducement not to make statements or to make false statements to the judicial authorities, aiding and abetting) are considered transnational when the offence has been committed in more than one State, or, if committed in one State, a substantial part of the preparation and planning of the offence has taken place in another State, or if, moreover, they are committed in one State, an organised criminal group engaged in criminal activities in several States is involved.

In this case, no further provisions have been included in the body of Italian Legislative Decree no. 231/2001. The liability arises from an autonomous provision contained in the aforementioned Article 10 of Italian Law no. 146/2006, which establishes the specific administrative sanctions applicable to the offences listed above, providing - by reference - in the last paragraph that 'the provisions of Italian Legislative Decree no. 231 of 8 June 2001 will apply to the administrative offences provided for in this Article'. Italian Legislative Decree no. 231/2007 repealed the provisions contained in Italian Law no. 146/2006 with reference to Articles 648-bis and 648-ter of the Italian Criminal Code (money laundering and use of money, goods or benefits of unlawful origin), which became punishable, for the purposes of Italian Legislative Decree No. 231/2001, regardless of the existence of any transnational element.

[16] Article added by Article 9 of Italian Law no. 123 of 3 August 2007. These are the offences of manslaughter (Article 589 of the Italian Criminal Code) and culpable personal injury (Article 590 of the Italian Criminal Code) and related aggravating circumstances (Article 583 of the Italian Criminal Code).

- Offences in respect of non-cash payment instruments and fraudulent transfer of securities (Article 25-*octies*.1 of the Decree)[18];
- Copyright infringement offences (Article 25-*novies* of the Decree)[19];
- Inducement not to testify or to give false testimony (Article 25-*decies* of the Decree)[20];
- Environmental offences (Article 25-*undecies* of the Decree)[21];
- Employment of illegally staying third-country nationals (Article 25-*duodecies* of the Decree)[22];

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17 Article 63(3) of Italian Legislative Decree 231 of 21 November 2007, published in the Italian Official Journal no. 290 of 14 December 2007, implementing Directive 2005/60/EC of 26 October 2005 on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, and Directive No 2006/14/EC, which also provides for the administrative liability of the entity in relation to the offences of receiving stolen goods (Article 648 of the Italian Criminal Code), money laundering (Article 648-bis of the Italian Criminal Code) and use of money, goods or benefits of unlawful origin (Article 648-ter of the Italian Criminal Code). On 17 December 2014, Italian Law 186/2014 was published in the Italian Official Journal, containing 'Provisions on the emersion and re-entry of capital held abroad and self- laundering', which introduces, *inter alia*, into the Italian Criminal Code Article 648-ter.1 concerning the offence of 'Self- Laundering'; this offence has been included in the list of predicate offences giving rise to the administrative liability of entities (Article 25-octies of Italian Legislative Decree 231/2001).

18 Italian Legislative Decree No 184 of 8 November 2021 implementing Directive (EU) 2019/713 of the European Parliament and of the Council of 17 April 2019 on combating fraud and counterfeiting of non-cash means of payment and replacing Council Framework Decision 2001/413/JHA was published in the Italian Official Journal on 29.11.2021. This new legislation introduces Article 25-octies.1 (offences in respect of non-cash payment instruments) into Italian Legislative Decree 231/200, extending the administrative liability of entities to include the following offences: Article 493-ter of the Italian Criminal Code, "Undue use and falsification of non-cash payment instruments" (fines of between 300 and 800 units); Article 493-*quater* "possession and dissemination of equipment, devices or computer programs aimed at committing offences involving non-cash payment instruments" (fines up to 500 units); Article 640-ter "computer fraud" where aggravated by the execution of a transfer of money, of monetary value or virtual currency (fines of up to 500 units). unless the offence constitutes another administrative offence punishable more severely, any other offence against public faith, against property or which in any case offends property provided for by the Italian Criminal Code, when it concerns non-cash payment instruments, the following fines will be applied to the entity: if the offence is punished with imprisonment of less than ten years, a fine of up to 500 units; if the offence is punished with imprisonment of not less than ten years, a fine of 300 to 800 units. In the event of being convicted for one of the aforementioned offences, the disqualification sanctions set out in Article 9(2) of Italian Legislative Decree No. 231/2001 will also be applied to the entity. The Decree entered into force on 14.12.2021. Lastly, Italian Law No. 137/23 extended the list of 231 predicate offences by including in Article 25-octies.1 the offence under Article 512-bis of the Criminal Code (fraudulent transfer of securities). Such provisions have been further amended by Italian Law Decree no. 19 of 2 March 2024.

19 Introduced by Article 15 of Italian Law No 99 of 23 July 2009. These are the offences referred to in Articles 171(1) (a) and 3, 171-bis, 171-ter and 171-septies, 171-octies of Italian Law no. 633 of 22 April 1941 in relation to the protection of copyright and other rights related to the exercise thereof. Copyright rules have been further amended by Italian Law 93/2023 and Italian Law 166/2024.

20 Introduced by Italian Law no. 116/2009. This is Article 377-bis of the Italian Criminal Code.

21 Italian Legislative Decree no. 121/11, adopted in implementation of Directive 2008/99/EC on the protection of the environment through criminal law and Directive 2009/123/EC on ship-source pollution, entered into force on 16 August 2011. Thus, this legislation introduced sanctions into Italian Legislative Decree no. 231/01 for the commission of the offences provided for in Articles 727-bis of the Criminal Code (killing, destruction, capture, taking or possession of protected species of wild animals or plants) and 733-bis of the Criminal Code (destruction or damage to protected habitats), in the so-called 'Environment Code' (Legislative Decree 152 /06), with reference to the discharge of industrial waters containing hazardous substances, waste management, contamination of soil, subsoil and water and emissions into the atmosphere, by Law 150/92, in relation to international trade in specimens of flora and fauna in danger of extinction and possession of dangerous animals; by Law 549/93 regulating the use of substances harmful to the stratospheric ozone layer; by Legislative Decree 202/07, relating to the intentional and negligent pollution of the marine environment caused by ships. Subsequently, Law No. 68 of 22 May 2015, concerning crimes against the environment, inserted a special Title in the Criminal Code (Title VI-bis), entitled 'crimes against the environment'. In particular, the following predicate offences were introduced: environmental pollution; environmental disaster; trafficking and abandonment of highly radioactive material. This statute also amended both Articles 257 and 260 of Italian Legislative Decree 152/2006 (hereinafter, the 'Environmental Code') and the rules on the predicate offences listed in Italian Legislative Decree 231/2001. Moreover, it introduced some amendments to Italian Law 150/1992, with a view to increasing the sanctions that can be imposed for some of the offences laid down in the Convention on International Trade in Endangered Species of Wild Fauna and Flora and also affects Italian Legislative Decree no. 231/2001.

- Offences of racism and xenophobia (Article 25-t*erdecies* of the Decree)[23];
- Fraud in sporting competitions, abusive gambling or betting and gambling using prohibited machines (Article 25-*quaterdecies* of the Decree)[24];
- Tax offences (Article 25-*quinquiesdecies* of the Decree)[25];
- Smuggling (Article 25-*sexiesdecies* of the Decree)[26];
- Offences against cultural heritage (Article 25-*septiesdecies* of the Decree)[27];

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[22] Introduced by Italian Legislative Decree no. 109/2012 and Italian Law no. 161/2017. Article 25-duodecies of the Decree provides for the administrative liability of the company in relation to the commission of the offence referred to in Article 22 (12-bis) of Italian Legislative Decree no. 286 of 25 July 1998 in the event that the employer employs foreign workers without a residence permit, or whose permit has expired and renewal, revocation or annulment has not been requested in accordance with the law. Pursuant to paragraph 12-bis, the sanctions provided for in Article 22(12) of Italian Legislative Decree no. 286 of 25 July 1998, no 286, will be increased from one third to one half: (a) where the number of workers employed is more than three; (b) where the workers employed are children of non-working age; (c) where the workers employed are subject to the other particularly exploitative working conditions referred to in Article 603-bis paragraph 3 of the Italian Criminal Code.

According to paragraph three of Article 603-bis of the Italian Criminal Code, in the case of unlawful intermediation and exploitation of workers, the existence of one or more of the following circumstances constitutes evidence of exploitation:

1. the systematic remuneration of workers manifestly differs from national collective bargaining agreements or is in any case disproportionate to the quantity and quality of the work done;
2. systematic violation of the rules on working time, weekly rest, compulsory leave and holidays;
3. the existence of breaches of safety and hygiene legislation at the workplace, which could endanger the worker's health, safety or personal safety;
4. subjecting the worker to particularly degrading working conditions, surveillance methods or housing conditions.

Subsequently, Article 30, Co. 4 of Italian Law 161/2017 provided for the introduction of new offences contained in Article 12 of Italian Legislative Decree 286/1998 concerning the illegal entry and facilitation of illegal immigration, within Article 25-duodecies of the Decree with the application of the relevant financial and prohibitive penalties.

[23] Italian Law no. 167 of 20 November 2017 (European law 2017, in force since 12 December 2017) introduced Article 25-*terdecies* (racism and xenophobia) into Italian Legislative Decree no. 231/2001; the offence referred to (in more than one case, referring to propaganda, incitement or incitement) is that provided for in paragraph 3-bis of Law No. 654/1975 (ratifying the International Convention on the Elimination of All Forms of Racial Discrimination, New York, 7 March 1966) simultaneously amended.

[24] Article 5.1 of the Italian Law no. 39 of 03.05.2019, (ratification and implementation of the Magglingen Council of Europe Convention on the Manipulation of Sports Competitions of 18 September 2014), introduced Article 25-quaterdecies into Italian Legislative Decree no. 231 of 8 June 2001. This provision added cases of fraud in sports competitions (Article 1, L.L. 13.12.1989, No. 401) and abusive gambling and betting (Article 4, L.L. 13.12.1989, No. 401) to the list of predicate offences;

[25] Italian Decree-Law no. 124 of 26.10.2019, on "urgent provisions in tax matters and for unavoidable requirements" was published in Italian Official Journal no. 252 of 26.10.2019. After Article 25- *quaterdecies* of Italian Legislative Decree no. 231 of 8 June 2001, the following is added: "Article 25-*quinquiesdecies* (tax offences). - 1. In relation to the commission of the offence of fraudulent tax return through the use of invoices or other documents for non-existent transactions provided for in Article 2 of the Italian Legislative Decree no. 74 of 10 March 2000, the fine up to five hundred units will apply to the entity."

[26] Offences introduced in the context of 231 by Italian Legislative Decree no 14.7.2020 n.75, implementing EU Directive 2017/1371, on the fight against fraud to the Union's financial interests by means of criminal law. Italian Legislative Decree no. 141 of 26 September 2024 containing “Additional national provisions to the European Customs Code and review of sanctions applicable to indirect taxes on production and consumption” and amendment of Article 25 sexdecies of Italian Legislative Decree 231/01 on smuggling crimes.

[27] Italian Law No 22 of 9 March 2022 laying down provisions on offences against cultural heritage was published in Italian Official Journal No 68 of 22 March 2022. The law aims to strengthen the instruments for the protection of cultural heritage, with particular reference to movable property, through the introduction of new offences, the extension of the scope of application confiscation and the inclusion of certain offences against cultural heritage among the predicate offences entailing the administrative liability of entities referred to in Italian Legislative Decree no. 231/2001.Afterwards, Italian Law no. 6 of 22 January 2024increased sanctions for crimes consisting in damages, destroy or illicit use of cultural heritage, thus modifying articles 518-duodecies, 635 and 639 of the Italian Criminal Code.

- Trafficking of cultural heritage and devastation and looting of cultural and landscape heritage (Article 25-*duodevicies* of the Decree)[28].

The list of predicate offences originally contained in the Decree has been expanded; it is up-to-date as at the date of adoption of Model 231 by the Managing Body of NPD.

See Section 4.7 of this General Part below for the identification of the cases considered relevant for NPD.

2.6. Sanctions regime

Under Article 9(23) of Italian Legislative Decree 231/2001, the following sanctions will be imposed on the entity as a result of the commission or attempted commission of the abovementioned offences:

- fine (and protective seizure as a precautionary measure);
- disqualification sanctions (also applicable as a precautionary measure) of a duration of not less than three months and not more than two years, subject to the clarification that, pursuant to Article 14(1) of Italian Legislative Decree no. 231/2001, "*Disqualification sanctions target the specific activity to which the entity's offence relates*" which, in turn, may consist of:
  - temporary or permanent disqualification from engaging in the activity;
  - suspension or revocation of authorizations, licenses or concessions that are a prerequisite for the commission of the offence;
  - prohibition on contracting with public authorities, except for the provision of a public service;
  - exclusion from facilities, financing, contributions or grants and the possible withdrawal of those granted;
  - temporary or permanent prohibition on advertising goods or services;
- confiscation (and preventive seizure as a precautionary measure);
- publication of the judgment (where a disqualification sanction is applied).

Fines are determined by the criminal court through a system based on "units" of not less than one hundred and not more than one thousand and the amount – each unit – varies between a minimum of 258.22 euro and a maximum of 1,549.37 euro. In determining the amount of the fine, the court will determine:

- the number of units, taking into account the seriousness of the event, the degree of liability of the entity and the work carried out to eliminate or mitigate the consequences of the event and to prevent further wrongdoing;
- the amount of the individual unit, based on the economic and asset conditions of the entity.

The entity is liable for the payment of the fine with its assets (Article 27(1) of the Decree)[29].

Disqualification sanctions only apply in respect of offences for which they are expressly stipulated and provided that at least one of the following conditions is met:

[28] Article added by Italian Law No 22/2022.
[29] The notion of assets must refer to companies and entities with legal personality.

- the company has made a substantial profit from the consummation of the offence, which was committed by senior executives or by subordinates when, in the latter case, the commission of the offence has been determined or facilitated by serious organizational deficiencies;
- in the event of repeated offending.[30]

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

In the most serious cases, the sanctions of disqualification from carrying on the activity, prohibition on contracting with the public administration and on advertising goods or services may be permanent[31].

The court may allow the activity of the entity to continue (instead of imposing the disqualification sanction), pursuant to and under the conditions laid down in Article 15 of the Decree, by appointing, for this purpose, a commissioner for a period equal to the duration of the disqualification sanction[32].

2.7. Attempt

In the event of the attempted commission of the offences referred to in Italian Legislative Decree no. 231/2001, the applicable fines (in terms of amount) and disqualification sanctions (in terms of duration) are reduced from one third to one half.

The imposition of sanctions is excluded in cases where the entity voluntarily prevents the execution of the action or the realization of the event (Article 26 of Italian Legislative Decree no. 231/2001). The exclusion of sanctions is justified in such a case by the termination of any relationship of identification between the entity and those entities that assume that they act in its name and on its behalf.

2.8. Changes to the entity

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30 Article 13(1) (a) and (b) of Italian Legislative Decree no. 231/2001. In this respect, see also Article 20 of Italian Legislative Decree 231/2001, according to which "*repeated offending occurs when the entity, already convicted definitively at least once for a criminal offence, commits another offence within five years of the final conviction.*"

31 See Article 16 of Italian Legislative Decree no. 231/2001, according to which: "*1. A definitive disqualification from carrying on the activity may be ordered if the entity has made a substantial profit out of the offence and, at least three times in the last seven years it has been temporarily disqualified from carrying on the activity. 2. The court may definitively impose on the entity the sanction of the prohibition on contracting with public authorities or the prohibition on advertising goods or services where the same sanction has already been ordered at least three times in the last seven years. 3. If the entity or any of its organizational units is permanently used for the sole or main purpose of enabling or facilitating the commission of offences in respect of which it is liable*, *permanent disqualification from carrying on the activity will always be ordered and the provisions of Article 17 will not apply*.'

32 Article 15 of Italian Legislative Decree no. 231/2001: "Judicial Commissioner – *if the conditions for the application of a disqualification sanction leading to the interruption of the activity of the entity are met, instead of applying the sanction the court will order the continuation of the entity's activity by a commissioner for a period equal to the duration of the disqualification sanction that would have applied, where at least one of the following conditions is met: (a) the entity carries out a public service or a service of public need, the interruption of which may cause serious harm to the group concerned; (b) the interruption of the entity's activity may, taking into account its size and the economic conditions of the territory in which it is located, have significant repercussions on employment. In the judgment ordering the continuation of the activity, the judge will indicate the duties and powers of the commissioner, taking into account the specific activity in which the offence was committed by the entity. Within the scope of the duties and powers indicated by the judge, the commissioner is responsible for the adoption and effective implementation of organisation and control models suitable to prevent offences of the kind that have occurred. He or she may not perform acts beyond ordinary administration without the judge's authorisation. The profit resulting from the continuation of the activity is confiscated. The continuation of the activity by the commissioner cannot be ordered when the interruption of the activity follows the definitive application of a disqualification sanction.*"

Italian Legislative Decree 231/2001 regulates the entity's liability regime, including in relation to changes in the entity such as change of corporate form, merger, demerger and transfer of business. Under Article 27(1) of Italian Legislative Decree no. 231/2001, the entity will be liable for payment of the fine with its assets or the common fund. In this regard, the concept of assets refers to companies and entities with legal personality, while "common fund" refers to unincorporated associations.

Articles 28 to 33 of Italian Legislative Decree 231/2001 regulate the impact on the financial liability of the entity of the abovementioned changes, i.e. relating to the change of corporate form, merger, demerger and transfer of business[33]. In this regard, the Italian Parliament took into account two conflicting needs:

- on the one hand, the need to prevent such transactions from being a means of easily circumventing the entity's administrative liability;
- on the other hand, the need not to penalize reorganization actions that are not aimed at circumventing this liability.

The explanatory memorandum to Italian Legislative Decree 231/2001 states as follows: *'the general criterion in this regard was to regulate the liability regime applicable to fines in accordance with the principles laid down in the Italian Civil Code as regards the generality of the other debts of the original entity, while maintaining, on the other hand, the link between the disqualification sanctions and the branch of activity in which the offence was committed'.*

In particular, in the case of a merger, the entity resulting from the merger (including by incorporation) is liable for the offences for which the parties to the merger were liable (Article 29 of Italian Legislative Decree no. 231/2001).

Article 31 of the Decree lays down provisions common to merger and demerger concerning the determination of sanctions in the event that such extraordinary transactions occurred before judgment is given. In particular, it clarifies the principle that the court must balance the fine, in accordance with the criteria laid down in Article 11(2) of the Decree, referring in any case to the economic and asset situation of the entity that is originally liable rather than those of the entity to which the fine should be attributed following the merger or demerger.

In the event of a disqualification sanction, the entity which will be liable as a result of the merger or demerger may apply to the court for the conversion thereof into a fine, provided that: (i) the organizational fault that made it possible to commit the offence has been eliminated, and (ii) the entity has compensated for the damage and made available (for confiscation) the part of the profit that may have been made.

Article 32 of Italian Legislative Decree no. 231/2001 allows the court to take into account the previous convictions of merging entities or the entity being demerged in order to detect any recidivism, pursuant to

[33] The Italian Parliament took into account two conflicting needs: On the one hand, to prevent such transactions from being a means of easily circumventing the entity's administrative liability and, on the other hand, not to penalize reorganization transactions that do not intend to circumvent such liability. The explanatory report to the Decree states that "*the main criterion in this regard has been to regulate fines in accordance with the principles laid down in the Civil Code as regards the generality of the other debts of the original entity, maintaining, on the other hand, the connection between the disqualification sanctions and the branch of activity in which the offence was committed.*"

Article 20 of Italian Legislative Decree no. 231/2001, in relation to offences committed subsequently by the merged entity or beneficiary of the demerger[34].

For the purposes of the transfer and contribution of a business, there is a single legal framework (Article 33 of Italian Legislative Decree no. 231/2001)[35]; in the event of the transfer of the business within which the offence was committed, the transferee will be jointly and severally obliged to pay the fine imposed on the transferor, subject to the following limitations:

- this is without prejudice to the benefit of prior enforcement against the transferor;
- the liability of the transferee will be limited to the value of the transferred business and to the fines recognised in the mandatory accounting records or due to administrative offences of which it was, in any case, aware.

By contrast, disqualification sanctions imposed on the transferor do not extend to the transferee.

2.9. Offences committed abroad

The entity may be considered liable in Italy for the crimes – referred to in Italian Legislative Decree 231/2001 - committed abroad (art. 4 Italian Legislative Decree 231/2001).

The assumptions on which the liability of the entity for offences committed abroad is based are:

- The offence must be committed by a person whose functions linked him or her to the entity, pursuant to Article 5(1) of Italian Legislative Decree no. 231/01;
- The entity must have its head office in Italian territory;
- the entity may only be liable in the cases and under the conditions set out in Articles 7, 8, 9, and 10 of the Italian Criminal Code[36] (in cases where the law provides that the offender – a

[34] Article 32 of the Italian Legislative Decree no. 231/2001: "Materiality of the merger or demerger as regards recidivism— *1. In the case of liability of the merged or demerged entity for offences committed after the date on which the merger or demerger took effect, the court may also hold that the entity resulting from the merger or the beneficiary of the demerger is liable, in accordance with Article 20, in relation to convictions ordered against the merged or demerged entity for offences committed before that date. 2. To that end, the court will take account of the nature of the infringements and the activity during which they were committed, as well as the characteristics of the merger or demerger. 3. With regard to the entities benefiting from the demerger, the entity may be deemed recidivous, pursuant to paragraphs 1 and 2, only if the branch of activity within the scope of which the offence for which the demerged entity was convicted was transferred to them, even in part."* The explanatory memorandum to Italian Legislative Decree no. 231/2001 clarifies that '*recidivism, in such case, does not, however, operate automatically, but is subject to a discretionary assessment by the court, based on the concrete circumstances. In addition, it can only be recognized in respect of the entities benefiting from the demerger where the branch of activity within which the previous offence was committed has been transferred, including partially*.'

[35] Article 33 of Italian Legislative Decree no. 231/2001: "Transfer of business. - *1. In the event of the transfer of the business in relation to which the offence was committed, the transferee will be jointly and severally obliged, subject to the benefit of prior enforcement against the transferor entity and up to the value of the transferred business, to pay the fine. 2. The transferee's obligation will be limited to the fines recognised in the mandatory accounting records or due for administrative offences of which it was in any case aware. 3. The provisions of this Article will also apply in the case of contribution of business*.' On this point, the explanatory memorandum to Italian Legislative Decree no. 231/2001 clarifies as follows: "*Such transactions are also likely to give rise to manoeuvres aimed at evading liability: however, the conflicting requirements to protect the trust and security of legal transactions are of greater importance, since these are hypothetical cases of specific succession that leave the identity (and liability) of the transferor or contributing entity unchanged*".

[36] Article 7 of the Italian Criminal Code: "Offences committed abroad –*The Italian citizen or the foreign citizen who commits in foreign territory any of the following offences will have criminal liability under Italian law: (1) crimes against the Italian State; (2) offences of counterfeiting the seal of the State and of the use of such counterfeit seal; (3) offences of counterfeiting currency which is legal tender in the territory of the State, or revenue stamps or Italian legal tender; 4) offences committed by*

natural person – is punished at the request of the Italian Minister of Justice, proceedings are brought against the entity only if the request is made also against the entity itself) and, also in accordance with the principle of legality referred to in Article 2 of the Decree, only in respect of offences for which its liability is provided for in an ad hoc legislative provision);

- As the cases and conditions laid down in those Articles of the Criminal Code are fulfilled, the State of the place where the act was committed does not apply to the entity.

2.10. Proceedings for the investigation of administrative offences

Liability for an administrative offence deriving from a crime is established in criminal proceedings. In this regard, Article 36 of Italian Legislative Decree no. 231/2001 provides that *"the criminal court having jurisdiction to hear the criminal offences from which administrative offences committed by an entity derive has jurisdiction to hear cases related to such administrative offences. The procedure for the investigation of the administrative offence committed by an entity will comply with the provisions on the composition of the court and the related procedural provisions relating to the criminal offences on which the administrative offence derives from".*

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public officials in the service of the State, abusing their powers or violating the duties inherent in their functions; 5) any other offence for which special legal provisions or international conventions establish the applicability of Italian criminal law'. Article 8 of the Italian Criminal Code: "Political offences committed abroad - *An Italian citizen or foreign citizens who commits on foreign soil a political offence that is not included among those indicated in number 1 of the preceding article will be punished according to Italian law, at the request of the Minister of Justice. If the offence in question is punishable following a complaint filed by the victim, the complaint is required in addition to this request. For the purposes of criminal law, a political offence is any offence, which offends a political interest of the State, or a political right of an Italian citizen. A common offence determined, in whole or in part, by political motives is also a political offence.*" Article 9 of the Italian Criminal Code: "Common criminal offences committed by Italian citizens abroad – *an Italian citizen, who, outside of the cases indicated in the two previous articles, commits in foreign territory an offence for which Italian law establishes a life sentence, or imprisonment of not less than three years, is punished according to the same law, provided that he or she is in the territory of the State. If it is an offence for which a sentence restricting personal liberty of a lesser duration is prescribed, the offender will be punished at the request of the Minister of Justice or at the victim's request or on the filing of a complaint by the latter. In cases provided for in the preceding provisions, if it is an offence committed against the European Communities, a foreign State or a foreign citizen, the offender will be punished at the request of the Minister of Justice, provided that his or her extradition has not been granted, or has not been accepted by the Government of the State where he or she has committed the offence.*' Article 9 of the Italian Criminal Code: "Common offence of Italian citizens abroad — *an Italian citizen, who, apart from the cases indicated in Articles 7 and 8, commits in foreign territory, to the detriment of the Italian State or an Italian citizen, an offence for which the sentence under Italian law is life imprisonment, or imprisonment of not less than one year, will be tried according to the same law, provided that he or she is in the territory of the Italian State, and there is a request from the Minister of Justice, or an application or complaint filed by the victim. In the cases provided for in the preceding provisions, if the offence in question is committed against the European Communities, a foreign State or a foreign citizen, the offender will be punished at the request of the Minister of Justice, provided that his or her extradition has not been granted, or has not been accepted by the Government of the State where he or she committed the offence.*' Article 10 of the Italian Criminal Code: 'Common offences committed by foreign citizens abroad - *A foreign citizens who, apart from the cases indicated in Articles 7 and 8, commits on foreign soil, to the detriment of the State or of an Italian citizen, an offence for which the sentence under Italian law is life imprisonment, or imprisonment of not less than one year, will be punished according to the same law, provided that he or she is in the territory of the Italian State, and there is a request from the Minister of Justice, or an application or a complaint filed by the victim. If the offence is committed to the detriment of a foreign State or a foreign citizen, the offender will be punished according to Italian law, at the request of the Minister of Justice, provided that 1) he or she is in the territory of the Italian State; 2) the offence carries a sentence of life imprisonment or at least three years' imprisonment; 3) his or her extradition has not been granted, or has not been accepted by the Government of the State where he or she committed the crime, or by that of the State to which he or she is a citizen."*

Another rule, based on reasons of effectiveness, homogeneity and procedural economy, is that of the mandatory joinder of proceedings: Proceedings against the entity must be joined, as far as possible, to the criminal proceedings brought against the natural person who committed the predicate offence on which the entity's liability is based (Article 38 of Italian Legislative Decree no. 231/2001). This rule is mitigated in Article 38(2) of Italian Legislative Decree no. 231/2001, which, on the other hand, governs cases in which the administrative offence is dealt with separately[37]. The entity participates in criminal proceedings with its legal representative, unless the latter is the one accused of the offence from which the administrative offence derives; where the legal representative does not appear, the defendant entity is represented by its legal counsel (Article 39 (1) and (4), of Italian Legislative Decree no. 231/2001).

2.11. Suitability assessment

The determination of the liability of the company, attributed to the criminal court, will be carried out by:

- verification of the existence of the predicate offence for the liability of the company;
- the court's assessment of the suitability of the organizational models adopted.

The court's assessment of the theoretical suitability of the organizational model to prevent the offences referred to in Italian Legislative Decree 231/2001 will be conducted according to the criterion of what is known as "posthumous prognosis".

The suitability assessment must be made on the basis of an essentially *ex ante* criterion, whereby the court ideally examines the business reality at the time of the offence in order to test the appropriateness of the model adopted. In other words, the organizational model which, before the commission of the offence, could and should be considered as being 'suitable to prevent criminal offences' must be deemed capable of reducing or, at least, minimizing, with reasonable certainty, the risk of the commission of the offence that has subsequently occurred.

3. Business activity, governance system and organizational structure of NPD

3.1. Governance system

The Company is incorporated as a limited liability company under Italian law with its registered office in Milan, Italy.

The share capital is wholly owned by Nexta Project Holdco Limited, which has its headquarters in the United Kingdom.

[37] Article 38(2) of the Italian Legislative Decree no. 231/2001: "*The administrative offence of the entity will be dealt with separately only where: (A) the suspension of proceedings pursuant to Article 71 of the Italian Criminal Procedure Code* [suspension of proceedings due to the incapacity of the accused] *has been ordered; (b) the procedure has been defined by the shortened trial or by plea bargaining pursuant to Article 444 of the Criminal Procedure Code* [*plea bargaining*]*, or by the issuing of the summary conviction order; or (c) compliance with the procedural provisions makes it necessary*." For the sake of completeness, Article 37 of Italian Legislative Decree no. 231/200 should also be recalled, according to which "*the entity's administrative offence will not be found to exist when the criminal proceedings cannot be initiated or continued against the offender because of the lack of a procedural prerequisite*" (i.e. those provided for in Title III of the Book V of Italian Criminal Procedure Code: filing of complaint, petition for proceedings, request for proceedings or permission to prosecute, as referred to in Articles 343, 341, 342, and 336 respectively of the Italian Criminal Procedure Code).

The management of the Company is entrusted to two directors, each with ordinary and extraordinary management powers, who may act jointly and/or separately.

3.2. Business activity

The main activity of the company consists in the provision of support services for the design, development, construction and installation of power plants for the production of photovoltaic energy, bioenergy and wind power in Italy and abroad.

The Company has as its purpose the following activities:

- The design, development and construction, installation, maintenance and operation, control and marketing of equipment, materials and facilities for the production of energy in Italy and abroad, and the transmission of energy, including by contracting and/or subcontracting from public and/or private entities, and by participating in tenders for the award of concessions;
- the production, distribution, marketing and/or sale of energy to public and/or private entities;
- research, development and testing of new energy sources, as well as carrying out studies on the impact of new energy sources;
- the development of technical, economic and financial studies and assessments, as well as environmental impact assessments for energy facilities;
- The conduct and management of vocational training programmes through courses, seminars, internships and scholarships in the Company's areas of interest;
- the supply of end-use energy and heat products and services in the different sectors of use: industrial, domestic and services;
- the marketing of raw materials, semi-finished products, finished products and equipment necessary for the energy industry;
- The sale and purchase of patents, licenses and know-how in the Company's areas of interest;
- Enter into representations and/or agency relationships with regard to technologies, products and services in the sectors of business activities as provided for in Articles 1742 et seq., of the Italian Civil Code and Italian Law no. 204 of 3 May 1985, as amended;
- the purchase of capital goods and movable property, including those recorded in public registers;
- the purchase, development, sale, management and lease of land, public and private building roofing areas, businesses and private property in general;
- the construction and rental of civil, industrial and commercial premises and buildings in general;
- research, promotion, consultancy and assistance services in the areas referred to above and any other activity which allows better use and exploitation of the structures, resources and skills employed in the areas referred to above.

The Company may operate as an E.S.C.O. (Energy Service Company).

The Company may also:

- provide management advice, financial research and analysis, preparation and analysis models of company financial statements;
- manage the technical and administrative coordination of the companies in the group to which they belong;
- provide technical organizational services for investee companies and third parties;
- preparing economic and financial reports, evaluations of companies or groups or business units, debt restructuring operations, corporate restructuring operations, in general, management of merger and acquisition processes, and interim management;
- take up and award contracts and subcontracts both on behalf of private parties and public bodies, for which purpose it may enter into temporary associations of undertakings by granting and receiving the relevant powers;
- It may also participate in consortia and EEIGs and perform any other function or activity instrumental or complementary to those mentioned above.

In order to achieve the corporate purpose, the Company may, albeit not predominantly and in any event not *vis-à-vis* the public, carry out the following activities: financing in any form, granting guarantees and financial and management coordination of companies or entities in which it participates, directly or indirectly through subsidiaries; in particular, by way of example and without limitation, the Company may coordinate the operational strategies, the investment programmes and development plans, as well as the management of financial policy and, more generally, the assumption of the specific functions of a parent company entrusted with unifying policies and operations necessary for the rationalisation of management, the containment of costs and the most effective action to achieve the corporate purpose of subsidiaries and investee companies.

The Company may, albeit not predominantly and in any event not *vis-à-vis* the public, carry out the following activities: sale, construction and non-finance lease of real estate, including appurtenances and general and specific facilities (including power generation plants), and the non-finance lease of industrial equipment and equipment generally for the purpose of achieving the corporate purpose. The Company may actively participate in public auctions for the granting of authorisations, licences, tariffs, certificates or rights to produce energy.

Moreover, as an instrument for the achievement of the corporate purpose, the Company may, albeit not predominantly and in any event not *vis-à-vis* the public, carry out all commercial, industrial, securities and real estate transactions. Moreover, it may, not predominantly and in a wholly ancillary and instrumental manner and in any event with the express exclusion of any activity carried out vis-à-vis the public, carry out financial and securities transactions, grant guarantees, endorsements, sureties and security deposits, including in favour of third parties, take out loans, access all types of credit and/or passive finance lease transactions, grant personal guarantees, pledges, special privileges and retention of title agreements, also free of charge, both in its own interest and in favour of third parties, including non-shareholders, acquiring and managing, only for the purpose of stable investment and not of placement, both directly and indirectly, shareholdings and equity interests in other Italian and foreign companies or entities, both in Italy and abroad, with a corporate purpose that is the same, similar, or related to its own, within the limits established by law, as well as carry out all transactions deemed necessary or appropriate for the

achievement of the corporate purpose, including all securities and real estate transactions and any other activity that may be deemed necessary or merely useful.

3.3. Organizational structure

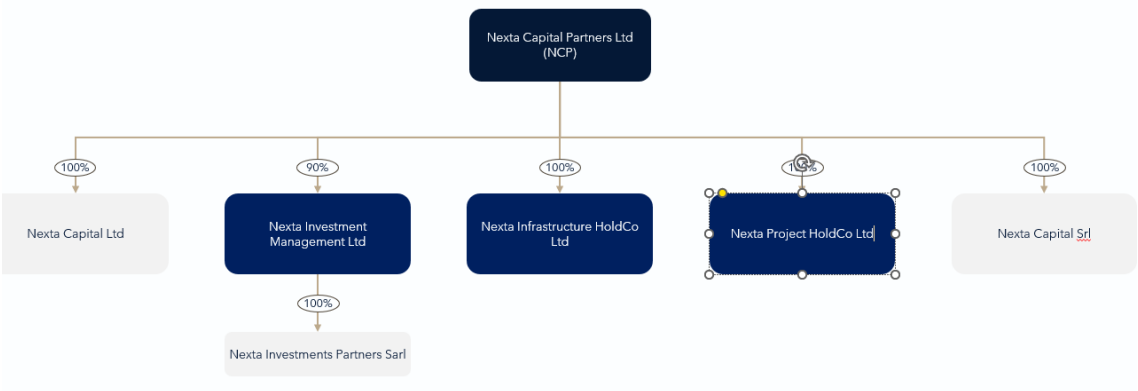
NPD's organizational structure, as formally reflected in its organizational charts and system of powers of attorney and proxies, is characterized by the presence of the following specific elements:

- organizational charts highlighting departments and reporting lines and the separation of roles;
- a system of powers of attorneys and proxies based on the granting of power of attorneys subject to the rules on publicity provided for by the legislation in force;
- operating instructions and procedures defining tasks, roles and how to carry out controls.

The organizational chart, to which reference is made, identifies the departments and reporting lines of the organization.

3.4. Part of the Nexta Group

NPD is part of the group whose parent is Nexta Capital Partners LLP, which has its headquarters in the United Kingdom, being structured as follows:



In particular, in order to better outline the framework in which the activities of the Company within the Group are carried out, the main elements defining the aforementioned group context are provided below:

- **Code of Ethics**. This is a tool which provides guidelines to which all directors, employees, collaborators and suppliers of Group companies must adapt their actions and behaviour to ensure compliance with ethical principles and the law within the Group;
- **Management of certain services at the Group level**, carried out by NPD, in the interest of the Group, for the benefit of the group companies with a view to rationalization and optimization of resources. This centralized management of services makes it possible, without prejudice to the management and operational autonomy of the group companies, (I) to achieve economies of scale by making use of professionalism and specialist services with improved quality levels; (ii) to focus resources on the management of production and operational activities. In particular,

reference is made to the services provided by NPD to the Group companies, such as, but not limited to, the following:

- Engineering consultancy services;
- Administration, finance and control services;
- Support services and staff;
- Administrative services.

- **Intra-group relationships** of a commercial, operational and financial nature, the types, terms and conditions of which are governed by formal agreements between the group companies to regulate the above-mentioned services.

These elements have been taken into account during the process of preparing this Model 231 in order to properly represent the system of rules of conduct and operational rules governing NPD's activity.

When services are provided between group companies, the individuals acting on behalf of the company providing the services ("Vendor Company" or "Contractor") must comply with the applicable law, the procedures in place, the control protocols established in the Model 231 of the Contractor and the control protocols established in the Model 231 of the Company receiving the services ("Client Company" or "Client").

4. NPD's organization, management, and control model

4.1. Purpose of Model 231

The adoption of Model 231 is not only a reason for exempting the company from administrative liability in relation to the commission of certain types of offence, but also an act of social responsibility.

NPD has therefore launched a process (hereinafter, the "Project"), with the methodological and technical support of external consultants, aimed at preparing and adopting the Model so that it complies with the requirements of Italian Legislative Decree no. 231/2001 as amended, in line with the principles already rooted in its culture of governance as well as with the content of the Guidelines issued by Confindustria and approved by the Italian Ministry of Justice.

The main goal of NPD's Model 231 is to set up a structured and organic system of organizational, management and control procedures, aimed at preventing the commission of the offences referred to in the Decree, as well as to make more effective the system of controls and corporate governance adopted by the Company, inspired by the abovementioned Guidelines.

Specifically, the main goals of Model 231 are to:

- raise awareness among those who collaborate, in various ways, with the Company (employees, external collaborators, suppliers, etc.), requiring them, within the limits of the activities carried out in NPD's interests, to adopt correct and transparent behaviour, in line with the ethical values on

which the Company is based in the pursuit of its corporate purpose and in such a way as to prevent the risk of offences referred to in the Decree being committed;

- ensure that the aforementioned subjects are aware that, in the event of a breach of the provisions imposed by the Company, they may incur disciplinary and/or contractual consequences, in addition to any criminal and administrative sanctions imposed on them;
- establish and/or strengthen controls that allow NPD to prevent or react in a timely manner to prevent the commission of offences by senior executives and their subordinates which give rise to the Company's administrative liability;
- enable the Company, through the monitoring of areas of activity at risk, to take prompt action to prevent or counter the commission of the offences themselves and to penalize behaviour contrary to its Model 231;
- guarantee its own integrity, by adopting the obligations expressly laid down in Article 6 of the Decree;
- improve the effectiveness and transparency of the management of business activities;
- ensure that potential offenders are fully aware that the commission of any offence is strongly condemned and contrary not just to legal provisions but also the ethical principles by which the Company intends to abide and the interests of the Company itself, even when apparently it could benefit the latter.

4.2. Recipients and scope

The Managing Body has adopted Model 231, the scope of which includes all activities carried out by the Company where there is a potential risk of the offences referred to in Italian Legislative Decree no. 231/01 being committed and whose recipients are identified as being:

- members of the corporate bodies, among those who perform, including *de facto*, functions of management, administration, direction or control of the Company, or of an organizational unit of the company with financial and functional autonomy;
- the Company's management and employees and, in general, those operating under the direction and/or supervision of the persons referred to in the preceding paragraph;
- Third parties who have contractually regulated working relationships with the Company (e.g. collaborators and business partners, pursuant to special contractual clauses and limited to the performance of sensitive activities in which they may participate).

Model 231 and the Code of Ethics will also apply, within the limits of the existing relationship, to those who, although not belonging to the Company, act on the instructions or on behalf of the Company or are otherwise linked to it by legal relationships that are relevant to the prevention of criminal offences.

4.3. Method for the definition of Model 231

The methodology chosen to carry out the Project, in terms of organization, definition of operational methods, phasing, and allocation of responsibilities between the various departments, has been developed in order to ensure the quality and authority of the results.

In this context, NPD has made use of external consultants who have ensured methodological, technical and operational support during the various phases of the project aimed at the preparation of this Model 231.

The methodologies followed and the criteria adopted during the various phases of the project are as follows:

- Start of the project: In this phase, the processes and activities in which the offences referred to in Italian Legislative Decree no. 231/2001 can be committed have been identified (i.e. those processes and activities that are commonly referred to as "sensitive"). The analysis, mainly in documents, of the corporate and organizational structure of the NPD, was a prerequisite for this identification, which allowed an initial identification of sensitive processes/activities as well as of the Departments responsible for these processes/activities.
- Conducting interviews with Heads of Departments/Divisions for the analysis of sensitive processes/activities: The purpose of this phase was to carry out the analysis of sensitive processes/activities and the detection of control mechanisms currently in place, as well as completing the preliminary inventory of sensitive processes/activities related to both business and "staff" areas. The analysis was carried out through structured interviews with the heads of the Departments/Divisions, which also aimed to identify for each sensitive activity the management processes and control tools in place, with particular emphasis being placed on the elements of compliance and the existing preventive controls to monitor them. At this stage, therefore, a map of the activities has been created which, in view of the specific contents, could be exposed to the potential commission of the offences referred to in Italian Legislative Decree No 231/2001.
- Identification of areas for the development of the internal control system ("*gap analysis*"): in this phase, priority areas for intervention were identified to ensure the alignment of the internal control system with the "standards" defined by Confindustria and best practices, identifying the optimal control arrangements for covering the risks of the commission of offences, after an assessment of organizational feasibility.
- Preparation of the Model 231: in this last phase the objective was to proceed with the preparation of NPD's Organization, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001 structured in all its components. For the purposes of drawing up Model 231, the Reference Guidelines and the Company's specific characteristics were taken into account in order to define a model to be examined and approved by the Managing Body. The execution of this step was supported both by the results of the previous steps and by the choices of the Company's decision-making bodies.

4.4. Structure of the Model

The Model is structured as follows:

(i) The ***General Part***, which describes the legal framework and governance of the Company, as well as the elements characterizing NPD's Model 231 and that are necessary for its effective implementation. In more detail, the General Part contains a description of the following areas:

- regulatory framework;
- the activities, governance system and organizational structure of the Company;
- methodology adopted for the identification and mapping of sensitive processes / activities, gap analysis and drafting of the Model;
- characteristics of the Company's Supervisory Body, including, *inter alia*, its composition, appointment, duration, functions and powers, and information flows;
- sanctions system to be applied in the event of non-compliance with the measures specified in Model 231;
- training and communication activities to be implemented in order to ensure awareness of the measures and provisions of the Model.

(ii) The ***Special Parts***, which aim to supplement the content of the General Part with a description of:

- the criminal offences referred to in the Decree which the Company considered necessary to take into account in view of the nature of the activity engaged in;
- sensitive processes/activities, with respect to the offences identified in Section 4.6 below, present in the NPD and the related control protocols.

4.5. Relationship between Model 231 and the Code of Ethics

The Company has adopted a Code of Ethics, which reflects a situation where the primary objectives are to maintain ethical behaviour in daily activities and to comply with all applicable laws.

The Code of Ethics is intended, among other things, to foster and promote a high standard of professionalism and to avoid behavioural practices that deviate from the interests of the Company or the law, and that are contrary to the values that the Company intends to maintain and promote.

The Code of Ethics is addressed to the members of the corporate bodies, to all employees of all types and levels in the Company and to all those who, permanently or temporarily, interact with it.

The Code of Ethics should therefore be considered as an essential foundation of Model 231, since together they constitute a systematic body of internal rules aimed at disseminating a culture of business ethics and transparency; in short, it is an essential element of the control system.

4.6. Types of criminal and administrative offences relevant to the Company

The adoption of Model 231 as a tool to guide the behaviour of entities operating within NPDs and to promote legality and fairness at all levels of the business has a positive impact on the prevention of any crime or offence provided for by the legal system.

However, in view of the analysis of the business context, the business activity carried out by the Company and the areas potentially subject to the criminal risk, only the offences which are the subject matter of the

individual Special Parts, to which reference is made for their precise identification, were considered relevant and thus specifically examined in Model 231.

Due to the type of activities engaged in by the Company, In defining Model 231, it was decided to focus on identifying the sensitive areas as regards the commission of the following offences:

- Offences against the Public Administration (Articles 24 and 25 of the Decree);
- Cybercrimes and unlawful processing of data (Article 24-*bis* of the Decree);
- Organized crime offences (Art. 24-*ter* of the Decree);
- Corporate offences (Article 25-*ter* of the Decree);
- Offences for the purposes of terrorism or subversion of the democratic order (Article 25-*quater* of the Decree);
- Offences against the individual (Article 25- *quinquies* of the Decree), with regard to the offence of illegal intermediation and exploitation of work;
- Transnational offences (Article 10, Italian Law no. 146 of 16 March 2006);
- Offences of manslaughter or serious or very serious injury committed in violation of the rules on the protection of health and safety at work (Article 25-*septies* of the Decree);
- Offences of receiving stolen goods, laundering and using money, goods or utilities of unlawful origin, as well as self-laundering (Article 25-*octies* of the Decree);
- Offences in respect of non-cash payment instruments and fraudulent transfer of securities (Article 25-*octies* 1 of the Decree);
- Copyright infringement offences (Article 25-*novies* of the Decree);
- Inducement not to testify or to give false testimony (Article 25-*decies* of the Decree);
- Environmental offences (Article 25-*undecies* of the Decree);
- Employment of illegally staying third-country nationals (Article 25-*duodecies* of the Decree);
- Tax offences (Article 25-*quinquiesdecies* of the Decree);
- Offences against cultural heritage (Article 25-*septiesdecies* of the Decree);
- Trafficking of cultural assets and devastation and looting of cultural and landscape heritage (Art. 25-*duodevicies* of the Decree).

With regard to the following criminal offences, given the specific activity carried out by the Company they were not considered to present a risk profile that would reasonably justify the possible commission thereof in the interest of or for the benefit of the Company:

- Counterfeiting of money, legal tender, and revenue stamps (Article 25-*bis* of the Decree);
- Counterfeiting of instruments or signs of recognition (Article 25-*bis* of the Decree);
- Offences against industry and trade (Art. 25-bis.1 of the Decree);

- Offences against individual life and safety (Article 25-*quaterdecies*.1 of the Decree);
- Offences against the individual (Article 25-*quinquies* of the Decree), with regard to offences other than illegal intermediation and the exploitation of work;
- Market abuse (Article 25-s*exies* of the Decree);
- Offences of racism and xenophobia (Article 25-*terdecies* of the Decree);
- Fraud in sporting competitions, abusive gambling or betting and gambling using prohibited machines (Article 25-*quaterdecies* of the Decree);
- Smuggling (Art. 25-*sexiesdecies* of the Decree).

The reference to the principles contained in the Code of Ethics, in which corporate representatives, employees, collaborators and partners are bound to respect the ethical and legal framework within which the Company operates, has therefore been considered exhaustive in the above cases.

4.7. Adoption, update and adaptation of Model 231

The power to adopt, amend and effectively implement the Model lies exclusively with the Managing Body.

The effectiveness and concrete implementation of the Model will also be ensured by:

(i) the Supervisory Body, exercising its powers of initiative and control over the activities carried out by the individual NPD Departments/Divisions;

(ii) The heads of the various NPD Departments/Divisions.

Within the powers conferred on it pursuant to Article 6(1)(b) and Article 7(4)(a) of the Decree, the Supervisory Body will, in any event, retain precise tasks and powers with regard to the care, development and promotion of the continuous updating of the Model.

To this end, it will make observations and proposals concerning the organization and the control system to the company departments responsible company structures or, in cases of particular importance, to the Managing Body.

The Supervisory Body will be required to report in writing to the Managing Body, without delay, or at least in the annual report, any facts, circumstances or organizational weaknesses identified in the supervisory activity that indicate the need or appropriateness as regards amending or supplementing Model 231.

In any event, Model 231 will be adapted if it becomes apparent that it needs to be updated, including but not limited to, in the following circumstances:

- infringements or circumvention of the provisions of Model 231 which have shown themselves to be ineffective or inconsistent for the purposes of preventing offences sanctioned under Italian Legislative Decree no. 231/2001;
- significant changes in the organization of the Company and/or the way in which it carries out business activities (e.g. as a result of the acquisition of a business unit);
- changes to the regulatory framework relevant to the Company (e.g. introduction of new types of relevant offences under the Decree);

- significant weaknesses in the control system identified during the course of the supervisory activity.

Once approved, the changes and the instructions for their immediate application will be notified to the Supervisory Body. The appropriate Departments/Divisions will be responsible for making the changes operational and ensuring that the content is communicated correctly.

The operational procedures adopted in implementation of this Model 231 will be amended by the relevant Departments/Divisions if they prove to be ineffective for the proper implementation of the provisions of the Model. The relevant Departments/Divisions will also make changes or additions to the operational procedures necessary to implement any revisions to this Model 231.

The Supervisory Body will be kept constantly informed at all times of the updating and implementation of the new operating procedures.

5. Supervisory Body

5.1. Role of the Supervisory Body

According to the provisions of Italian Legislative Decree No 231/2001 – Article 6(1) (a) and (b) – the entity may be exempted from liability arising as a result of the commission of offences by persons defined in Article 5 of the Decree if the managing body has, *inter alia*, entrusted the task of supervising the functioning of and compliance with the Model and of updating it to a body of the entity with autonomous powers of initiative and control ("the Supervisory Body"). The task of continuously monitoring the widespread and effective implementation of the Model and compliance with it by the recipients, and of proposing its updating in order to improve its efficiency in the prevention of criminal and administrative offences, is entrusted to the aforementioned internal body set up by the Company.

The assignment of these tasks to a body with autonomous powers of initiative and control, together with the proper and effective performance of these duties, is therefore an essential prerequisite for the exemption from liability made possible under Italian Legislative Decree no. 231/2001.

5.2. Requirements

Appointment as a member of the Supervisory Body will be subject to the eligibility requirements for individuals.

In the selection of members, the only relevant criteria are those relating to the specific professionalism and skills required for the performance of the Supervisory Body's functions, having a good reputation and absolute autonomy and independence from it; the Managing Body, when appointing them, must acknowledge the existence of the requirements of independence, autonomy, good reputation and professionalism of its members.

In particular, following the approval of the Model or, in the case of new appointments, when the appointment is made, the person appointed as a member of the Supervisory Body must make a declaration stating the absence of the following reasons disqualifying him or her from being a member:

- relationship of family, marriage or kinship in the fourth degree with members of the Managing Body, the statutory auditors of the Company or independent auditors appointed by the auditing firm;
- actual and potential conflicts of interest with the Company such as to impair the independence which is required for the Supervisory Body's specific role and tasks;
- direct or indirect ownership of shareholdings of a size capable of exercising significant influence over the Company;
- management functions — during the three financial years preceding the appointment as a member of the Supervisory Body or the establishment of the consultancy/cooperation relationship with this Body — in relation to undertakings which have been subject to bankruptcy, compulsory winding-up or other insolvency proceedings;
- judgment finding him or her guilty, even if not yet made final, or judgment reflecting a plea bargain, in Italy or abroad, for the offences referred to in Italian Legislative Decree no. 231/2001

or other offences in any case involving incidents concerning professional morality and good reputation;

- finding of guilt in a judgment, even if not yet made final, containing a sentence which gives rise to the disqualification, including temporary, from public office, or the temporary disqualification from the management offices of legal entities and enterprises;
- a procedure for the application of a preventive measure under Italian Law no. 1423 of 27 December 1956 and Italian Law no. 575 of 31 May 1965 is pending or a seizure decree pursuant to Article 2-bis of Italian Law no. 575/1965 or a decree implementing a preventive measure, whether personal or concerning assets or property, has been issued;
- Failure to meet the subjective good reputation requirements laid down in the Italian Ministerial Decree no. 162 of 30 March 2000 for the members of the Board of Statutory Auditors of listed companies, adopted pursuant to Article 148(4) of the TUF.

Professionalism

The Supervisory Body must be composed of individuals with specific competences in inspection activities, control system analysis and legal matters, to ensure that the Body has the appropriate professional skills to perform the relevant functions. Where necessary, the Supervisory Body may also rely on the assistance and support of external expertise, in order to acquire specific specialist knowledge.

Autonomy and independence

The Supervisory Body is set up to be autonomous and independent from other corporate bodies and internal control bodies in the exercise of its functions.

The Supervisory Body has autonomous spending powers on the basis of an annual budget, approved by the Managing Body, on a proposal from the Supervisory Body itself. In any event, the Supervisory Body may request additional funds if the ones allocated are not sufficient to effectively carry out its duties and may extend its autonomous expenditure on its own initiative in the event of exceptional or urgent situations, which will be the subject of a subsequent report to the Managing Body.

The activities carried out by the Supervisory Body may not be reviewed by any other corporate body or unit.

Preferably, any internal members should not play any operational role within the Company and should not be hierarchically dependent on any operational area manager. In any case, internal mechanisms must be in place to ensure the autonomy and independence of the body (e.g. exercise of the right to vote, etc.).

In the performance of their duties, the members of the Supervisory Body will not be subject to any conflict of interest, including potential conflicts of interest, as a result of any personal, family or professional reason. In such a case, they will immediately inform the other members of the body and will refrain from taking part in the relevant resolutions. These assumptions are mentioned in the disclosure report to the corporate bodies.

Continuity of action

The Supervisory Body must be able to ensure the necessary continuity in the performance of its functions, including through the scheduling of activities and controls, the recording of meetings and the regulation of information flows from the company's organization.

5.3. Composition, appointment and term of office

The Supervisory Body will consist of a single member, and will be represented by an external professional with specialist skills who meets the requirements of professionalism, independence, autonomy and continuity of action

The Supervisory Body is appointed by the Company's Managing Body, through a reasoned decision confirming the fulfilment of the requirements of good reputation, professionalism, autonomy and independence.

In the act in which its existence is accepted, the Supervisory Body undertakes to carry out the assigned functions ensuring the necessary continuity of action and to immediately notify the Managing Body of any event that may affect the maintenance of the above requirements.

Following the creation of the Supervisory Body, the Company's Managing Body will periodically verify that the requirements of the Supervisory Body's members and of the Body as a whole continue to be met.

If a member of the Supervisory Body ceases to fulfil the requirements for members, he or she will immediately cease to hold office. In the event of forfeiture, death, resignation or removal, the Administrative Body will promptly replace him or her.

In order to ensure its full autonomy and independence, the Supervisory Body will remain in office for a period of three years, and in any case until the appointment of the new Supervisory Body, regardless of the expiry or possible early termination of the Managing Body that appointed it.

5.4. Functions and powers

The Supervisory Body has autonomous powers of initiative, intervention and control, which extend to all sectors and functions of the Company, powers which must be exercised in order to carry out effectively and promptly the functions provided for in Model 231 and its implementing rules in order to ensure effective and efficient supervision of the operation and compliance with Model 231 as laid down in Article 6 of Italian Legislative Decree no. 231/2001.

The activities carried out by the Supervisory Body may not be reviewed by any other Company body or department. The verification and control activities carried out by the Supervisory Body are, in fact, strictly functional to the objectives of effective implementation of Model 231 and cannot substitute or replace the Company's institutional control functions.

In particular, the Supervisory Body will be entrusted with the following duties and powers for the fulfilment and exercise of its functions:

- govern its own operation including by introducing rules governing its activities which include: the scheduling of activities, the determination of the frequency of checks, the identification of criteria

and analysis procedures, the regulation of information flows from the corporate structures (Rules of the Supervisory Body);

- monitor the functioning of Model 231 with regard to both the prevention of the commission of the offences referred to in Italian Legislative Decree no. 231/2001 and its possible implementation;
- verify compliance with Model 231, the rules of conduct, and the prevention and procedure protocols provided for in Model 231 and detect any behavioural deviations that may arise from the analysis of information flows and reports to which the persons responsible for the various functions are responsible and proceed as provided for in Model 231;
- Carry out regular inspection and control activities, of a continuous and unannounced nature, taking into account the different policy areas or types of activities and their critical points, in order to verify the efficiency and effectiveness of Model 231. In carrying out this activity, the Supervisory Body may:
    - freely access any Department/Division of the Company – without the need for any prior consent – to request and acquire information, documentation and data that is deemed necessary for the performance of its duties pursuant to Italian Legislative Decree no. 231/2001, from all employees and managers. If a reasoned refusal to allow access to documents is given and Supervisory Body does not agree with the reasoned refusal, it will prepare a report to be sent to the Managing Body;
    - require relevant information or the production of documents, including electronic documents, relevant to risk activities, from directors, statutory auditors, employees, consultants and in general from all subjects required to comply with Model 231;
- develop and promote the continuous updating of Model 231, including the identification, mapping and classification of sensitive activities, and, where necessary, make proposals to the Managing Body for any updates and adjustments to be made by means of amendments and/or additions that may become necessary;
- manage relations and ensure the relevant information flows with the Company's Departments/Divisions and towards its corporate bodies;
- promote initiatives for the dissemination of knowledge and awareness of Model 231, the contents of Italian Legislative Decree no. 231/2001, the impacts of the legislation on the business and behavioural rules, as well as initiatives for staff training and awareness raising in order to comply with Model 231, including the establishment of controls on frequency;
- verify the establishment of an effective internal communication system to allow the transmission of relevant information for the purposes of Italian Legislative Decree no. 231/2001, ensuring the protection and confidential treatment of the whistleblower;
- ensure knowledge of the conduct to be reported and the ways in which whistleblowing can take place;

- provide all employees and members of the corporate bodies with clarifications regarding the meaning and application of the provisions contained in Model 231 and its correct interpretation/application, the control standards and their implementation procedures;
- prepare and submit for approval to the Managing Body the forecast expenditure necessary for the proper performance of the assigned duties, on a fully independent basis. This forecast expenditure, which must ensure the full and proper performance of its activities, must be approved by the Managing Body;
- Promptly report to the Managing Body, for the taking of appropriate measures, any detected violations of Model 231 that may lead to the Company being found liable and propose any of the sanctions referred to in Section 7 below;
- Verify and assess the suitability of the disciplinary system in accordance with and for the effects of Italian Legislative Decree No 231/2001.

In carrying out its activities, the Supervisory Body may use the Company's departments according to their respective competences.

The Supervisory Body will not have any management or decision-making powers relating to the conduct of the Company's activities, organizational powers or to change the Company's structure or powers to sanction.

5.5. Removal

The Supervisory Body's powers can only be removed for cause, pursuant to a reasoned decision of the Managing Body.

In this respect, "cause" for removal means, for example, gross negligence in the performance of his or her duties, such as: failure to draw up the annual summary report on its activities as required; and failure to draw up the supervisory programme.

5.6. Grounds for suspension

The following are grounds for suspension of the functions of the Supervisory Body:

- The verification, after his or her appointment, that a given member of the Supervisory Body has been a member of the Supervisory Body in companies against which the sanctions provided for in Article 9 of the Decree have been applied, in a decision that is not final (including the judgment given pursuant to Article 63 of the Decree), for offences committed during his or her term of office;
- The fact that the member has been indicted in relation to one of the predicate offences referred to in the Decree or, in any case, for an offence which is punishable with disqualification, including temporary, on holding offices in legal persons or undertakings or in relation to one of the administrative offences relating to market abuse referred to in the TUF.

The Supervisory Body must inform the Managing Body, under its full responsibility, of the occurrence of either of the grounds for suspension referred to above.

The Managing Body, including in all further cases where it becomes directly aware of the occurrence of either of the grounds for suspension mentioned above, will assess the position of the Supervisory Body and, if it considers it appropriate, arrange for its suspension to be declared.

5.7. Temporary incapacity

Where situations arise which temporarily prevent the Supervisory Body from carrying out its functions or from carrying them out with the necessary autonomy and independence of judgment, the Body must declare the existence of such lawful incapacity.

By way of example, an illness or accident which lasts for more than three months and prevents attendance at the meetings of the Supervisory Body will be grounds for said temporary incapacity.

In the event of temporary incapacity, the Managing Body will consider temporarily supplementing the Supervisory Body by appointing one or more members whose term of office will be equal to the period of incapacity.

The foregoing is without prejudice to the right of the Managing Body, when the incapacity lasts for a period of more than six months, to remove the Supervisory Body if the aforementioned causes of incapacity have been verified.

5.8. Information flows to and from the Supervisory Body

5.8.1. Reporting by the Supervisory Body to the corporate bodies

The Supervisory Body will report to the Managing Body unless otherwise provided in this Model 231.

The Supervisory Body will, whenever it deems it appropriate, inform the Chair of the Managing Body of significant circumstances and facts in relation to its competences or of any urgent critical issues concerning Model 231 arising from its supervisory activity.

The Supervisory Body will periodically, and at least annually, draw up a written report on its activities and send it to the Managing Body.

The periodic reports prepared by the Supervisory Body will also be drawn up in order to allow the Managing Body to carry out the assessments necessary to make any updates or changes to Model 231 and will at least contain, analyse or report:

a) any concerns that may arise with respect to the operational procedures for implementing the provisions of Model 231;

b) a record of reports received from internal and external parties, including direct findings by the Supervisory Body, of alleged breaches of the provisions of this Model 231, the prevention protocols and their implementation procedures;

c) any disciplinary measures and sanctions applied by the Company, with respect to violations of the provisions of this Model 231, the prevention protocols and their implementing procedures;

d) an overall assessment of the functioning and effectiveness of Model 231 with any proposals for additions, corrections or amendments;

e) the reporting of any changes in the regulatory framework and/or significant changes to the Company's internal structure and/or conduct of business that require an update of Model 231.

The Managing Body may at any time request the Supervisory Body to meet to obtain information about its activities.

5.8.2. Reporting to the Supervisory Body

The Supervisory Body must be informed in a timely manner of those acts, conduct or events which may lead to a breach of Model 231 or which, more generally, are relevant to ensure the best efficacy and effectiveness of Model 231.

All recipients of Model 231 will notify the Supervisory Body of all relevant information to facilitate the carrying out of checks on the proper implementation of Model 231.

In particular:

- The heads of the Departments/Divisions that engage in sensitive activities will transmit to the Supervisory Body:
  - at previously agreed deadlines, the so-called "information flows", i.e. the list of operations/transactions that come within the "sensitive" activities defined in the Model of the Company;
  - any anomalies or atypical features found within the scope of the activities under their responsibility. In addition, where they see areas for improvement in the definition and/or application of the control standards set out in this Model 231, they will promptly report such circumstances to the Supervisory Body.
- The Departments/Divisions identified in accordance with their respective organizational responsibilities must notify to the Supervisory Body in writing, in a timely manner, any information concerning:
  - issuing and/or updating organizational documents;
  - changes in the responsibilities of the Departments/Divisions affected by the activities at risk and the possible updating of the system of proxies and powers of attorney;
  - reports prepared by the Departments / Divisions / Control Bodies as part of their verification activities, from which facts, acts, events or omissions with critical profiles with regard to compliance with the rules of the Decree or the provisions of Model 231 and the Code of Ethics may emerge;
  - disciplinary proceedings initiated for breaches of Model 231, the measures to dismiss such proceedings and the grounds for the same, the application of sanctions for breaching the Code of Ethics, Model 231 or the procedures established for its implementation;
  - notices and/or information from judicial police bodies, or any other authority, which indicate that investigations are being or were carried out, including in respect of unknown persons, for the offences under Italian Legislative Decree No 231/2001 and which may involve the Company;

- requests for legal assistance made by employees in the event of the initiation of legal proceedings against them and in relation to the offences referred to in Italian Legislative Decree No 231/2001, unless expressly prohibited by the judicial authority;
- reports prepared by the heads of other Departments / Divisions as part of their control activities and from which facts, acts, events or omissions with critical profiles with respect to compliance with the standards and provisions of Model 231 may emerge;
- information on the disciplinary proceedings and any sanctions imposed (including measures taken against employees) or on the dismissal of such proceedings and the reasons for such proceedings;

In order to enable the activation of these information flows, the Supervisory Body has a dedicated e-mail address, namely odv@nexta-project.com.

With regard to reports to the Supervisory Body:

- All employees and members of the corporate bodies of the Company must promptly report the commission or alleged commission of offences of which they become aware, or where they consider that there is a reasonable danger that offences will be committed, as referred to in the Decree, as well as any violation or alleged violation of the Code of Ethics, Model 231 or the procedures established in implementation thereof of which they become aware;
- Business partners, consultants, external collaborators and other recipients of Model 231 outside the Company are required to immediately inform the Supervisory Body directly if they receive, directly or indirectly, any request from an employee/representative of the Company to engage in conduct that could lead to a breach of Model 231.

For the management of reports, the Company takes appropriate and effective measures to ensure that confidentiality is always guaranteed regarding the identity of the person who provides to the Supervisory Body information useful to identify conduct in breach of the provisions of Model 231 and/or the company's organizational documentation (e.g. policies and procedures), without prejudice to legal obligations and the protection of the rights of the Company or persons accused erroneously and/or in bad faith.

Any form of retaliation, discrimination or penalization with respect to any person who reports to the Supervisory Body in good faith is prohibited. Retaliation or discrimination, whether direct or indirect, against the whistleblower for reasons directly or indirectly related to the report is prohibited.

The Company, in accordance with the applicable law, reserves the right to take any action against anyone who makes false reports in bad faith.

In order to ensure timely compliance with the provisions of this paragraph, the Company has set up internal reporting channels that comply with the regulatory provisions of Italian Legislative Decree no. 24 of 10.3.2023 on the implementation of EU Directive 2019/1937 (the EU Whistleblower Protection Directive) on the protection of persons who report breaches of Union law and containing provisions on the protection of persons reporting breaches of national law.

These internal reporting channels are identified in Section 6 "Internal Reporting channels (Whistleblowing)" of this Model 231.

These internal reporting channels allow recipients of the Code of Ethics and Model 231 to submit, in order to protect NPD's integrity, detailed reports of unlawful conduct, relevant under the Decree, or of breaches of the Code of Ethics and the Company's organizational and management model, which they have become aware of due to their functions; these channels ensure that the whistleblower's identity remains confidential during the handling of whistleblowing activities.

In order to ensure the effectiveness of Model 231, any reports concerning unlawful conduct that is relevant pursuant to Italian Legislative Decree no. 231 of 8 June 2001, or breaches of Model 231 or the Code of Ethics, will be transmitted to the Supervisory Body in order to enable the appropriate investigations to be carried out, including the checks and internal investigations deemed necessary for the assessment of the substance of the reports and for the identification of appropriate corrective actions, as well as the preparation of appropriate and timely feedback to be provided to the whistleblowers.

The Supervisory Body is therefore guaranteed the necessary means and resources, both internal (company departments competent in this regard) and external (e.g. lawyers and experts), to carry out the appropriate investigation of any reports received.

6. Internal reporting channels (Whistleblowing)

Pursuant to Article 4(1) of Italian Legislative Decree no. 24 of 10.3.2023, the internal reporting channels implemented by the Company are made available to the recipients of this Model 231.

The Company will have a dedicated internal reporting process in place to regulate, in accordance with applicable law, the process of receiving, analysing and processing internal reports.

It should be recalled that on 9 March 2023 the Italian Council of Ministers finally approved the Italian Legislative Decree on the implementation of the EU Whistleblower Protection Directive 2019/1937 on the protection of persons who report breaches of Union law and laying down provisions on the protection of persons who report breaches of national law. The text of Italian Legislative Decree no. 24 of 10.3.2023 was published in the Italian Official Journal no. 63 of 15.3.2023.

Italian Legislative Decree no. 24 of 10.3.2023 regulates internal reporting, external reporting and public disclosures.

It is the responsibility of the Company to establish an internal reporting channel.

The National Anti-Corruption Authority (ANAC) is responsible for setting up an external reporting channel and for adopting guidelines on procedures for submitting and handling external reports.

Italian Legislative Decree no. 24 of 10.3.2023 regulates the protection of persons who report breaches of national or European Union law that harm the public interest or the integrity of the public administration or private body, of which they have become aware in a public or private working context.

The Company has established the following internal reporting channels:

- Use of a dedicated IT platform https://nexta-capital.segnalazioni.net. made available by the specialist supplier Digital PA, accessible on the Company's website; instructions for the use of this tool are available on the platform;

- Direct meeting with the Whistleblowing Manager; this type of report is collected as part of a direct meeting with the Whistleblowing Manager, subject to presentation of the privacy policy.

Without prejudice to the possibility of reporting by any useful means, it should be noted that the use of additional reporting channels and means other than those listed above, implemented by NPD in accordance with applicable law, may not allow companies to ensure the confidentiality of the whistleblower's identity, the person involved and the person mentioned in the report, as well as the content of the report and related documentation.

In this regard, if the whistleblower intends to use a channel such as sending a paper letter (this is permitted but not adopted by the NPD as an internal reporting channel), in order to guarantee the confidentiality required by the legislation, as explained in the ANAC Guidelines, the reported information should be placed in two sealed envelopes, the first with the whistleblower's identification data together with the photocopy of the identification document; the second with the information in question, in order to separate the whistleblower's identification data from the information provided. Both envelopes should then be placed in a third sealed envelope marked "confidential" on the outside and addressed to the Head of Legal and the Supervisory Body.

Where the internal report is submitted to a person other than the one identified and authorized by the Company, the person who received the report must forward the original report and any annexes within seven days of its receipt to the Whistleblowing Manager, protecting the confidentiality of the identity of the whistleblower and notifying the latter of the forwarding of the report at the same time. For example, if a report is received in a closed envelope indicating that it is a whistleblowing report and/or addressed to the Head of Legal and the Supervisory Body, the receiving party, without opening it, will promptly deliver it to the Head of Legal and the Supervisory Body.

Failure to deliver a whistleblowing report received is a violation of this Policy and may result in appropriate action, including disciplinary action.

The function of Whistleblowing Manager is entrusted to the Head of Legal and to the Supervisory Body, the latter for the handling of any reports concerning relevant illegal conduct pursuant to Italian Legislative Decree no. 231 of 8 June 2001, or violations of Model 231 and the Code of Ethics. The role of Whistleblowing Manager includes the following activities:

- issue to the whistleblower an acknowledgment of receipt of the report within seven days from the date of receipt;
- maintain contact with the whistleblower, it being possible to request supplementary information from him or her if necessary;
- diligently follow up on the reports received;
- respond to the report within three months of the date of the acknowledgment of receipt or, in the absence of such an acknowledgment, within three months of the expiry of the seven-day period from delivery of the report;
- provide clear information on the channel, procedures and assumptions for reporting internally, and on the channel, procedures and assumptions for reporting externally.

The Head of Legal and the Supervisory Body, in compliance with the general principles, in particular with the obligation of confidentiality, may, in order to follow up and provide feedback on the reports received, involve the competent bodies, management and business departments, which are required to support the carrying out of all internal verifications and investigations deemed necessary for the assessment of the substance of the reports received and, in such circumstances, for the identification of the appropriate corrective action and for the formalization of the appropriate and timely feedback to whistleblowers.

In addition, the Head of Legal and the Supervisory Body, in compliance with the general principles, and in particular with the obligation of confidentiality, subject to the authorization of the delegated Bodies and Persons, may, in order to follow up and provide feedback on the reports received, instruct external experts, identified by the Company, to support the carrying out of all internal verifications and investigations deemed necessary in order to assess the substance of the reports received and, in such circumstances, to identify the appropriate corrective actions and prepare adequate and timely feedback to be provided to whistleblowers.

7. The disciplinary and sanctions system

7.1. General principles

As a condition for the effective implementation of the organization, management and control model, Article 6(2)(e) and Article 7(4)(b) of Italian Legislative Decree no. 231/2001 provide for the introduction of a disciplinary system suitable for sanctioning breaches of the measures indicated in the Model itself.

Therefore, in order for the organization, management and control model pursuant to Italian Legislative Decree no. 231/2001 to provide entities with an exemption from liability for administrative offences, it must have an appropriate disciplinary system.

The application of sanctions for breaches of the provisions of Model 231 must remain completely independent of the conduct and outcome of any criminal or administrative proceedings initiated by the relevant judicial or administrative authority, where the unlawful conduct also constitutes a relevant criminal offence within the meaning of the Decree. Indeed, the rules imposed by Model 231 are adopted by the Company completely independently, regardless of whether any conduct may constitute a criminal or administrative offence and whether the judicial or administrative authority intends to prosecute such an offence.

The sanctions provided for in respect of breaches of the provisions of Model 231 will also be deemed to apply in the event of breaches of the provisions of the Code of Ethics.

In general, the following are breaches of Model 231:

- conduct constituting the offences referred to in the Decree;
- conduct which, although not amounting to one of the offences referred to in the Decree, is unequivocally directed at their commission;
- behaviour non-compliant with the procedures and provisions referred to in Model 231;
- conduct in breach of the preventive control tools set out in Model 231.

The seriousness of Model 231 infringements will be assessed on the basis of the following circumstances:

- the presence and intensity of intent;
- the presence and intensity of negligent, reckless or incompetent conduct;
- the presence and intensity of repeated conduct;
- the extent of the danger and/or the consequences of the infringement for the persons covered by the legislation on the protection of health and safety at work, as well as for the Company;
- the predictability of the consequences;
- the timing and manner of the breach;
- the circumstances in which the breach took place.

The powers already conferred, within the limits of the respective delegations of powers and responsibilities, shall also be applicable to the notification and ascertainment of the breach, and the application of disciplinary measures.

After receiving the report and carrying out the appropriate investigations, the Supervisory Body will provide the information necessary for the Human Resources Manager to propose, in line with the applicable national CBA, the sanction to be imposed.

In any event, the phase in which the breach is notified, as well as that involving the determination and effective application of sanctions, will be carried out in compliance with applicable laws and regulations, as well as with the provisions of collective bargaining agreements and company disciplinary codes, where applicable.

7.2. Protection of an employee or contractor who reports wrongdoing

Italian Legislative Decree no. 24 of 10.3.2023 regulates the protection of persons who report breaches of national or European Union law that harm the public interest or integrity of the Company, of which they have become aware through their employment.

The provisions of Italian Legislative Decree no. 24 10.3.2023 do not apply to:

- disputes, claims or requests relating to a personal interest of the whistleblower or the person who has lodged a complaint with the judicial or accounting authority which relate exclusively to his or her individual employment or public employment relationships or to his or her employment or public employment relationships with hierarchical superiors;
- reports of breaches where they are already compulsorily regulated by the European Union or national acts listed in Part II of the Annex to the Decree or by the national acts implementing the European Union acts listed in Part II of the Annex to Directive (EU) 2019/1937, although not listed in Part II of the Annex to the Decree;
- Reports of breaches in the field of national security, as well as of procurement relating to defence or national security aspects, unless such matters come within the relevant secondary legislation of the European Union.

Whistleblowers using the channels referred to in Section 6 of this Model 231 will not be retaliated against; the whistleblower is protected even if the legal relationship has not started (selection and pre-contractual phases), during the probationary period, after the termination of the relationship (if the information has been acquired during the relationship).

The safeguards provided for the whistleblower also apply to:

- so-called facilitators (those who assist the worker in the reporting process);
- persons in the same work context as the whistleblower or person who lodged a complaint with the judicial or accounting authority or those who made a public disclosure and who are linked to them by a stable emotional or family relationship within the fourth degree;
- colleagues of the whistleblower or of the person who lodged a complaint with the judicial or accounting authority or made a public disclosure who work in the same working environment as the whistleblower and who have a regular and ongoing relationship with that person;
- entities owned by the whistleblower or the person who lodged a complaint with the judicial or accounting authority or who has made a public disclosure or for which the same persons work, as well as entities operating in the same working environment as those persons.

Italian Legislative Decree no. 24 10.3.2023 defines "retaliation" as any conduct, act or omission, including that which is attempted or threatened, which takes place because of whistleblowing, lodging a complaint with the judicial or accounting authority or public disclosure that causes or is likely to cause unjust harm to the whistleblower or the person who lodged the complaint, whether directly or indirectly. Italian Legislative Decree no. 24 of 10.3.2023 refers to the following cases which, if they are related to this definition, constitute retaliation:

- dismissal, suspension or equivalent measures;
- downgrading or failing to promote;
- changes in duties, changes of the workplace,
- salary reduction, changes to working hours;
- suspension of training or any restriction on access to it;
- negative staff performance reports or negative references;
- the adoption of disciplinary measures or other sanctions, including fines;
- coercion, intimidation, harassment or ostracism;
- discrimination or unfavourable treatment;
- failure to convert a temporary employment contract into a permanent employment contract, where the worker had a legitimate expectation that this would happen;
- the non-renewal or early termination of a fixed-term employment contract;
- damage, including to the person's reputation, in particular on social media, or economic or financial harm, including loss of economic opportunity and loss of income;
- improper listing on the basis of a formal or informal sectoral or industrial agreement, which may make it impossible for the person to find employment in the sector or industry in the future;
- the early termination or cancellation of the contract for the supply of goods or services;
- the cancellation of a licence or permit;
- a request for psychiatric or medical examinations.

The entities and persons referred to in Article 3 may report to the ANAC retaliation which they believe they have suffered. ANAC will immediately inform the National Labour Inspectorate so that the latter can take the measures that come within its competence.

Article 21 of Italian Legislative Decree no. 24 of 10 March 2023 provides that, without prejudice to other aspects regarding liability, the ANAC will apply the following fines to the responsible entity:

a) from 10,000 to 50,000 euros when it ascertains that retaliation has been committed or when it ascertains that the whistleblowing report has been obstructed or that an attempt has been made to obstruct it or that the obligation of confidentiality under Article 12 of Italian Legislative Decree no. 24 of 10 March 2023 has been infringed;

b) from 10,000 to 50,000 euros when it ascertains that no whistleblowing channels have been established, no procedures have been adopted for the execution and management of reports or the adoption of such procedures does not comply with the rules laid down in Articles 4 and 5 of Italian Legislative Decree no. 24 of 10 March 2023, and also when it ascertains that the verification and analysis of the reports received has not been carried out;

c) from 500 to 2,500 euros, in the case referred to in Article 16(3) of Italian Legislative Decree no. 24 of 10 March 2023, unless the whistleblower has been convicted, including at first instance, of the offences of defamation or slander or in any case of the same offences committed by making the complaint to the judicial or accounting authority.

It should be noted that the disciplinary system adopted by the Company provides for sanctions against those who are found guilty of the offences referred to in Article 21(1) of Italian Legislative Decree no. 24 of 10 March 2023.

7.3. Measures against employees

Compliance with the provisions and rules of conduct provided for in Model 231 and the Code of Ethics constitutes fulfilment by NPD's employees of the obligations laid down in Article 2104(2) of the Italian Civil Code.

The violation of the individual provisions and rules of conduct set out in Model 231 and the Code of Ethics by NPD employees is always a disciplinary offence.

The powers already conferred, within the limits of their respective delegated powers and competences, on the senior executives of NPD, shall also be applicable to the determination of infringements concerning Model 231, disciplinary proceedings and the imposition of sanctions.

As regards the type of sanctions that may be imposed, in the case of an employment relationship, any measure imposing sanctions must comply with the procedures laid down in Article 7 of the Workers' Statute, which is characterized by the principle of legal certainty in that only defined infringements and sanctions are applicable.

In any event, the NPD Human Resources Department will always keep the Supervisory Body informed of any sanctions imposed and/or violations established.

7.3.1. Measures against employees (non-managers)

In relation to the measures applicable to non-managerial employees, the primary source as regards the company's sanctions system is the applicable national collective bargaining agreement (national CBA), which is the national CBA for employees of companies in the Trade and Services sectors. It is specified that the sanction imposed must be proportionate to the seriousness of the infringement committed and, in particular, of the following must be considered:

- the subjective element, i.e. the intentionality of the behaviour or the degree of guilt (negligence, recklessness or incompetence);
- the employee's overall behaviour, with particular regard to whether or not he or she has a disciplinary record;
- the level of responsibility and autonomy of the employee who committed the disciplinary offence;

- the involvement of other persons;
- the seriousness of the effects of the disciplinary offence, i.e. the level of risk to which the Company can reasonably be exposed as a result of the alleged infringement;
- other specific circumstances related to the offence.

The following disciplinary measures may be taken against employees in the event of a breach of the Model:

a) verbal warning for minor infringements;

b) written warning in cases of repeated infringements referred to in the previous point;

c) fine not exceeding 4 hours' normal remuneration;

d) suspension of remuneration and from work for a maximum of 10 (ten) days;

e) dismissal on disciplinary grounds without notice.

The conduct that violates the Model and the Code of Ethics and which gives rise to the abovementioned sanctions is as follows:

a) The sanction of a verbal warning will apply in the case of an employee who commits a non-serious infringement of the procedures referred to in Model 231 and/or the Code of Ethics (e.g. failure to carry out required checks, etc.), or engages in conduct, when performing activities in sensitive areas, that does not comply with the requirements of Model 231 and/or the Code of Ethics, without exposing NPD to a specific danger or resulting in the application of measures provided for in the Decree;

b) The sanction of a written warning will apply in the case of an employee who repeatedly infringes the procedures referred to in Model 231 and/or the Code of Ethics or engages in conduct, when performing activities in sensitive areas, that does not comply with the requirements of Model 231 and the Code of Ethics, without this exposing NPD to a real danger or leading to the application of measures provided for in the Decree. The same sanction also applies to an employee who in adopting the abovementioned conduct exposes NPD to a situation of objective danger, provided that such conduct does not result in the application of measures provided for in the Decree;

c) The sanction of a fine "not exceeding 4 (four) hours' pay" will apply in the case of an employee who is a repeat offender with respect to the offences under paragraph (b) above. This sanction will also be applied to employees who, by violating the procedures referred to in Model 231 and/or the Code of Ethics or by engaging in conduct, when performing activities in sensitive areas, that does not comply with the requirements of Model 231 and/or the Code of Ethics, cause minor damage to the Company without exposing it to a possible sanction pursuant to the Decree.

d) The sanction of "suspension from work and pay up to a maximum of 10 (ten) working days" will apply in the case of an employee who, in violating the procedures referred to in Model 231 and/or the Code of Ethics, or by engaging in conduct, in relation to sensitive areas, that does not comply with the requirements of Model 231 and/or the Code of Ethics, causes damage to the Company, exposing it to a possible sanction pursuant to the Decree, provided that such conduct is not

unequivocally directed at the commission of an offence or does not give rise to the application of measures provided for in the Decree;

e) The sanction of "dismissal on disciplinary grounds without notice" will apply to the employee who engages in conduct, when performing activities in sensitive areas, that does not comply with the requirements of Model 231 and/or the Code of Ethics and is unequivocally aimed at the commission of a crime sanctioned by the Decree, as well as to the employee who engages in conduct manifestly in breach of the requirements of Model 231 and/or the Code of Ethics which gives rise to the specific application by the Company of measures provided for in the Decree. The sanctions in question also apply to those who are found to be guilty of the offences referred to in Article 21(1) a), b) and c) of Italian Legislative Decree no. 24 of 10 March 2023. Such behaviour radically undermines NPD's trust in the employee and causes serious damage to the Company.

The sanctions referred to in points (d) and (e) above also apply, based on the assessment of the specific circumstances, to those who are found guilty of one or more of the offences referred to in Article 21(1) a), b) and c) of Italian Legislative Decree no. 24 of 10 March 2023.

The foregoing is without prejudice to disciplinary proceedings and other action taken against the employee in accordance with the relevant national CBA and the applicable employment legislation for infringements regarding matters that are not strictly related to compliance with Model 231.

This is without prejudice to the Company's right to seek compensation for damage arising from an employee's violation of Model 231. Any compensation for damage claimed will be commensurate with:

- the level of responsibility and autonomy of the employee who committed the disciplinary offence;
- the existence, if any, of a previous disciplinary record as regards the employee;
- the extent to which the employee's behaviour was intentional;
- the seriousness of its effects, i.e. the level of risk to which the Company reasonably considers that it has been exposed - within the meaning and for the purpose of the Decree - as a result of the conduct in question.

7.3.2. Measures against managers

In carrying out their professional activities, the Company's managers are obliged both to comply with and ensure that staff members comply with the requirements contained in the Model.

The Company applies the national CBA for Managers to its managerial employees.

The disciplinary measures applicable to 'managers' - in compliance with the procedures provided for in Article 7(2) and (3) of Italian Law no. 300 of 30 May 1970 (Workers' Statute), the CBA and any applicable special regulations - are those provided for by the following sanction regime:

a) written warning;

b) suspension on disciplinary grounds;

c) dismissal for cause with notice (*giustificato motivo*);

d) dismissal for cause without notice (*giusta causa*).

In particular, with respect to violations of Model 231 and/or the Code of Ethics by the Company's management, it is provided that:

- In the event of a non-serious breach of one or more of the procedural or behavioural rules provided for in Model 231, the manager will be given a “written warning”, consisting of a reminder of the need to comply with Model 231 and/or the Code of Ethics, which is a necessary condition for maintaining a trust-based relationship with the Company;
- In the event of a non-serious but repeated breach of one or more of the procedural or behavioural rules provided for in Model 231 and/or the Code of Ethics, the sanction imposed on the manager will be that of “suspension on disciplinary grounds”;
- In the event of a serious breach of one or more of the procedural or behavioural rules provided for in Model 231 and/or the Code of Ethics, the sanction imposed on the manager will be that of “dismissal for cause with notice”;
- Where the breach of one or more procedural or behavioural rules provided for in Model 231 and/or the Code of Ethics is of such seriousness as to damage irreparably the relationship of trust and makes it impossible for the employment relationship to continue even provisionally, the sanction imposed on the manager will be that of “dismissal for cause without notice”.

Violations committed by managers that constitute breaches of the provisions contained in the 231 Model and/or the Code of Ethics and give rise to sanctions include, but are not limited to:

- Failure to supervise the staff he or she is responsible for to ensure compliance with the provisions of Model 231 and/or the Code of Ethics as regards carrying out activities in areas at risk of criminal offences and for activities instrumental to operational processes at risk of criminal offences,
- Failure to report any breach and/or anomalies concerning the fulfilment of the obligations under Model 231 and/or the Code of Ethics, if he or she is aware of them, such as to render Model 231 ineffective, potentially exposing the Company to sanctions under the Decree;
- Failure to report to the Supervisory Body any critical issues relating to the performance of activities in areas at risk of criminal offences, identified during monitoring by the competent authorities,
- the manager himself or herself is involved in one or more serious violations of the provisions of Model 231 and/or the Code of Ethics, which may lead to the commission of the offences referred to in Model 231, thus exposing the company to the application of sanctions under the Decree.

In the event of a manager breaching the provisions and rules of conduct contained in Model 231 and/or the Code of Ethics, NPD will, on the basis of the principle of seriousness, recidivism, direct infringement, and failure to supervise, take the appropriate action against the manager in accordance with the applicable contractual and regulatory framework.

For employees of the Company defined as ‘managers’, failure to comply with the requirements of Model 231 with the obligation to manage or supervise employees as regards the correct and effective application of Model 231 always amounts to a serious breach of the requirements of Model 231.

The conduct of those who are found to have committed one or more of the offences referred to in Article 21(1)(a), (b) and (c) of Italian Legislative Decree no. 24 of 10 March 2023, is considered equivalent to the

violations of Model 231 and/or the Code of Ethics which are defined as "serious infringements" or "infringements of such seriousness as to irreparably damage the relationship of trust".

If the breach of Model 231 results in the Company losing its trust in the manager, the appropriate sanction will be dismissal.

The application of the disciplinary measures described above is the responsibility of the Managing Body, after hearing the Chief Executive Officer and the Human Resources Department.

7.4. Measures against directors

Upon notice of violation of the provisions and rules of conduct of Model 231 by the member(s) of the Managing Body, the Supervisory Body will promptly inform the Chair of the Managing Body, by means of a written report, and the Statutory Auditor

In respect of directors who have committed a breach of the provisions and rules of conduct of Model 231, the Managing Body may apply, in compliance with the principles of gradualness and proportionality in view of the seriousness of the facts and of the negligence or possible intent, any appropriate measure permitted by law.

The disciplinary measures which may be imposed on one or more members of the Company's Managing Body, following a decision by the said Managing Body itself, to be taken with the abstention of the person concerned and, where provided for by law and/or by the Articles of Association, by a decision of the shareholders' meeting, will be as follows:

a) written warning;

b) temporary suspension from office;

c) removal from office.

In particular, with respect to violations of Model 231 and/or the Code of Ethics by one or more members of the Company's Managing Body, it is provided that:

- In the event of a non-serious breach of one or more procedural or behavioural rules provided for in Model 231 and/or the Code of Ethics, the member of the Managing Body will be given a written warning, i.e. a reminder to comply with Model 231 and/or the Code of Ethics, which is a necessary condition for maintaining a trust-based relationship with the Company;
- In the event of a serious breach of one or more procedural or behavioural rules provided for in Model 231 and/or the Code of Ethics, the member of the Managing Body will be temporarily suspended from office;
- In the event of a serious breach of one or more of the procedural or behavioural rules provided for in Model 231 and/or of the Code of Ethics as to damage irreparably the relationship of trust, the member of the Managing Body will be removed from office.

Moreover, for members of the Company's Managing Body, breach of the obligation to direct or supervise subordinates as to the correct and effective application of the requirements of Model 231 itself will also amount to a sanctionable infringement of Model 231.

In particular, if the breach is committed by a member of the Managing Body who is also an employee of the Company, the sanctions set out in paragraphs 7.3.1 and 7.3.2. will apply.

In the most serious cases, and in any case, where the absence is such as to damage the Company's trust in the Director, the Managing Body will call a shareholders' meeting and propose his or her removal from office.

In the event of a breach of Model 231 by the entire Managing Body of the Company, the Supervisory Body will either inform the Shareholders in order for them to take the appropriate measures or inform the Control Body (if appointed) so that the latter may convene the shareholders' meeting for appropriate action without delay.

7.5. Measures against the Control Body (if appointed) and the Independent Auditor

When it becomes aware that one or more members of the Control Body (if appointed) and the Independent Auditor have breached the provisions and rules of conduct of Model 231, the Supervisory Body will promptly inform the other members of the Control Body (if appointed), and the Managing Body.

The Managing Body will take appropriate measures consistent with the seriousness of the violation and in accordance with the powers provided for by law and/or by the Articles of Association (statements recorded in the minutes of meetings, request to call, or call of, the shareholders' meeting with the agenda including appropriate measures against the parties responsible for the breach, etc.).

7.6. Measures against the Supervisory Body

In the event that the Managing Body is informed of violations of Model 231 and/or the Code of Ethics by one or more members of the Supervisory Body, the Managing Body will, in collaboration with the Control Body (if appointed), take the most appropriate initiatives consistent with the seriousness of the violation and in accordance with the powers provided for by law and/or the Articles of Association.

In particular, if the breach is committed by a member of the Supervisory Body who is also an employee of the Company, the sanctions set out in paragraphs 7.3.1 and 7.3.2 will apply.

7.7. Measures against suppliers, consultants, contractors, business partners and other counterparties

The violation, by suppliers, contractors, consultants, collaborators, business partners and other contractual counterparties, in the performance of activities deemed sensitive, of the provisions and rules of conduct provided for in Model 231 and applicable to these parties, or the possible commission by them of the offences referred to in Italian Legislative Decree 231/2001, will entitle NPD to exercise its right, pursuant to the Italian Civil Code, to terminate the contract in question in accordance with the specific contractual clauses contained therein.

Such clauses may, for example, oblige these third parties not to act or behave in a manner that will result in a violation of the Company's Code of Ethics and/or the provisions of the Decree.

In the event of a breach of this obligation, it must be stipulated that the Company will be entitled to terminate the contract, with the possible imposition of penalties.

The above is naturally without prejudice to the Company's right to claim compensation for damage caused by the breach of the provisions and rules of conduct contained in Model 231 by such third parties.

8. Communication and training

8.1. Communication

In order to implement Model 231 effectively, NPD will ensure the proper dissemination of its content and principles both inside and outside the Company.

In order to ensure effective awareness and application of Model 231, its adoption will be formally notified by the Managing Body to the different categories of Recipients.

In particular, after Model 231 is approved, the Company's employees, and thereafter all new recruits, will be required to sign a declaration that they have read Model 231 and undertake to comply with its provisions.

With regard to the suppliers, consultants and collaborators of the Company, the engagement letter or the contract with them must contain clauses (e.g. express termination clauses) that expressly refer to compliance with the requirements of the Decree.

Model 231 will also be made available in the manner and by the means which the Managing Body deems appropriate, including, but not limited to, publication on the Company's internet / intranet, or making a hard copy of Model 231 available in each establishment.

The communication activity will be diversified according to the category of recipients. In any event, it will be based on the principles of completeness, clarity, accessibility and continuity in order to enable the different recipients to be fully aware of those corporate provisions that they must comply with and the ethical rules that must guide their behaviour.

8.2. Training

In order for Model 231 to be effective, it is vital that both the human resources present in the Company and those that will join it in the future are fully aware of the rules of conduct contained therein, with different degrees of detail according to the level of involvement in sensitive activities.

The training of staff for the implementation of Model 231 is the responsibility of the Managing Body, which identifies those people from either inside or outside the Company who will be entrusted with organizing such training.

Those individuals entrusted with providing training will work in coordination with the Supervisory Body, which will assess their effectiveness in terms of planning, content, updating, timing, methods and identification of participants, and the organization of the training sessions.

Participation in these training activities by the individuals identified is mandatory. Consequently, non-participation will be sanctioned in accordance with the disciplinary rules contained in Model 231.

The training must provide information at least in relation to: (i) the regulatory framework (Italian Legislative Decree 231/2001 and Confindustria Guidelines), (ii) Model 231 adopted by the Company and the safeguards and protocols introduced following the adoption of Model 231 itself, and (iii) examples of case law in which the legislation has been applied.

The training must be differentiated according to the different business areas to which the recipient of the training belongs. A precise record of the training carried out must be kept.

Finally, training planning should include regular sessions to ensure that a continuous refresher schedule is provided.