

**The organization, management and control model pursuant
to Legislative Decree No. 231 of 8 June 2001
General Part
of
AR-TEX S.p.A.**

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DEFINITIONS

- **Sensitive activities:** activities of AR-TEX S.p.A. where conduct could be carried out that, even only potentially, could constitute one of the offences referred to in Legislative Decree No. 231 of 2001.
- **NCBA:** national collective bargaining agreement in force per category of employees.
- **Customer:** legal or natural person purchasing a good or service.
- **Code of Conduct or Code of Ethics:** the code of conduct adopted by AR-TEX S.p.A.
- **Consultants or Collaborators:** persons who, due to their professional skills, perform their intellectual work for and/or on behalf of AR-TEX S.p.A. on the basis of a mandate or other professional collaboration relationship.
- **Legislative Decree No. 231/2001 or Decree:** Legislative decree No. 231 of 8 June 2001 as amended and supplemented.
- **Employees:** persons having an employment or quasi-self employment contract with AR-TEX S.p.A.
- **AR-TEX S.p.A.:** AR-TEX S.p.A. or the Company.
- **Supplier:** natural or legal person that manufactures - provides products, raw materials, components, services, professional advice, technical advice, etc.
- **Person in charge of a public service:** a person who “in any capacity whatsoever provides a public service”, i.e., an activity regulated in the same manner as a public function, but without the powers that are typical of the latter (see Art. 358 of the Italian Criminal Code).
- **Confindustria's Guidelines:** document issued by Confindustria (as approved on 7 March 2002 and updated on 31 March 2008 and in March 2014 and subsequent amendments and additions) on the development of organization, management and control models pursuant to Legislative Decree No. 231 of 2001.
- **Model:** the organization, management and control model pursuant to Legislative Decree No. 231/2001.
- **Corporate bodies:** shareholders’ meeting, board of auditors and auditor, administrative body.
- **Supervisory Board or SB:** the body provided for by art. 6 of the Legislative Decree No. 231 of 8 June 2001.
- **Partner:** contractual counterparties, natural or legal persons, with whom AR-TEX S.p.A. enters into any form of collaboration.
- **P.A.:** the public administration, public official or person in charge of a public service.
- **Public official:** who “exercises a legislative, judicial or administrative public function” (see art. 357 of the Italian Criminal Code).
- **Predicate offence and/or Offence:** administrative liability offences pursuant to Legislative Decree No. 231 of 8 June 2001.
- **Key person:** a person who holds functions of representation, administration, management of AR-TEX S.p.A. or of one of its units with financial and functional autonomy, as well as a person who exercises,

also de facto, the management or control of AR-TEX S.p.A. pursuant to Legislative Decree No. 231 of 8 June 2001.

- **Subordinate Person:** persons subject to the direction or supervision of one of the Key persons pursuant to Legislative Decree No. 231 of 8 June 2001.
- **Consolidated law on finance:** Legislative Decree No. 58 of 24 February 1998
- **Consolidated law on safety:** Legislative Decree No. 81 of 09 April 2008
- **Environmental consolidated act:** Legislative Decree No. 152 of 03 April 2006
- **Top management:** Board of Directors of AR-TEX S.p.A.

According to the articles of association, the corporate purpose of AR-TEX S.p.A. is the production and trade of industrial gaskets. With reference with the aforementioned purposes, the company may carry out all commercial, industrial, financial, movable and real estate transactions necessary and appropriate for the achievement of the corporate purpose and directly and indirectly acquire shareholdings and interests in other companies, as well as receive and place orders. It may also sell and take over shares and interests, including in consortia, and take on the management and liquidation of other companies with similar purposes, including consortia, combining or otherwise syndicating their activities. The corporate purpose does not include activities reserved for members of Professional Associations, activities reserved for financial intermediaries pursuant to art. 106 of Legislative Decree No. 385/93, activities reserved for securities brokerage companies pursuant to art. 1 of Law No. 1 of 02/01/1991, as amended by Legislative Decree No. 58/1998.

PREAMBLE

The Organisation Model, which consists of a General Part and Special Parts, generally includes an examination of the regulations contained in Legislative Decree No. 231 of 8 June 2001 and constitutes the guidelines describing the Model process of adoption by companies.

The Model general part identifies:

- the predicate criminal offences under Legislative Decree No. 231 of 8 June 2001;
- the addressees of the Model and the Code of Ethics;
- the procedures for adopting and implementing the Model;
- the criteria for constituting the Supervisory Board;
- the system of sanctions for violations;
- the obligations of personnel information and communication and training on the Model;
- the form for reporting violations of the AR-TEX S.p.A. Code of Ethics and Model;

Taking into account the company's corporate purpose, the Special Parts identify the company's activities that are sensitive to the risks under Legislative Decree No. 231 of 8 June 2001 and the general and specific principles of good conduct; the preventive measures taken by the company against the aforementioned risks and the essential control measures developed to prevent or mitigate offences.

Besides what is expressly stated below, the following elements are also an integral part of this document:

- the Code of Ethics, which defines the company ethical and moral principles;
- all the company provisions, internal measures, deeds and operating procedures implementing this document (e.g., powers, organisation charts, job descriptions, articles of association, workplace safety procedures, quality manual, RAD, health, safety and environmental management system where adopted, data confidentiality and privacy risk analysis, OHSMS, etc.).

2. ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS

Legislative Decree No. 231 of 8 June 2001 introduces and regulates, for the first time in the Italian legal system, the administrative liability of legal entities for conduct that constitute offences committed in their interest and to their advantage.

The provisions of Legislative Decree No. 231 of 8 June 2001 apply when Key and/or Subordinate persons behave in a non-compliant manner or engage in unlawful conduct constituting one of the predicate offences provided for by the Decree and the company has gained an interest or advantage from such a conduct.

In such circumstances, the company may be assigned, in criminal proceedings, an independent liability with respect to the personal liability of the Key or Subordinate person in question and this liability will remain with the company in accordance with the law even if the author of the offence has not been identified or the offence has extinguished for a reason other than amnesty.

Indeed, the company's administrative liability in criminal proceedings pursuant to the aforementioned Decree is always in addition to, and never in substitution for, that of the natural person responsible for the unlawful conduct, whose conduct constitutes the prerequisite for the charge of the specific liability.

One of the objectives of Legislative Decree No. 231 of 8 June 2001 is to raise the awareness of all the company's stakeholders, by also affecting the assets of those who have had an interest in or gained an advantage from the unlawful conduct of their Key and/or Subordinate Persons.

The Decree provides for different types of sanctions that expire within five years from the date of the offence; these include administrative pecuniary sanctions, disqualification sanctions, publication of the judgement and confiscation.

The reference criteria for determining the sanctions to be applied are: the offence seriousness, the company's degree of liability and the activities implemented by the company to prevent the offence.

For more serious cases, such as offences committed in violation of occupational health and safety provisions, disqualifying sanctions are possible, such as:

- a) disqualification from exercising the activity;
- b) suspension or revocation of authorisations, licences or concessions;
- c) prohibition to enter into agreements with the Public Administration;
- d) exclusion from subsidised or similar loans or evocation of those already granted;
- e) publication of the judgement.

3. SCOPE

The Decree applies to all entities endowed with legal personality, companies, associations, including those without legal personality, and private entities entrusted with a public service. The Decree does not apply to the State, territorial public bodies, non-economic public bodies and bodies with functions of constitutional relevance (e.g., trade unions, political parties, etc.).

4. ADDRESSEES

Addressees under this Model are (without exception):

- AR-TEX S.p.A. personnel, i.e., the company's employees, including those abroad, as well as people who collaborate with the company by virtue of a quasi-self employment and collaboration relationship in general, including project collaborators, temporary workers and workers on temporary contracts, etc.;
- those who perform, even de facto, management, administration, direction or control functions for AR-TEX S.p.A. or for one of its organisational units, including corporate bodies (Directors, Statutory Auditors, Auditors and Auditing Company, Supervisory Board, etc.);
- those who directly or indirectly, permanently or temporarily, enter into agreements and/or collaborations with AR-TEX S.p.A., in any capacity, operating on behalf of the same or cooperating in the performance of its activities and the pursuit of its goals;
- all subjects that, in any case, act in the interest of AR-TEX S.p.A. as they are linked to the same by contractual relations or agreements of another nature (e.g., partners in joint ventures, associates in business initiatives etc.).

The Addressees of the Model are required to comply with the provisions of the same and its annexes, which are an integral part of it.

5. CRITERIA FOR ATTRIBUTING LIABILITY

Criteria for attributing liability to companies can be subjective or objective.

Subjective condition is that the Offence was committed by a person linked to AR-TEX S.p.A. by a qualified relationship.

To that sense: 1) Key Persons include those who hold functions of representation, administration or management of AR-TEX S.p.A. or of one of its financial and functional organisational units, as well as

persons exercising, also de facto, the management and control thereof; 2) Subordinate persons include persons subject to the management or supervision of one of the persons referred to in point 1).

As for the latter, particular attention is paid to the actually performed activity, in addition to the existence of an employment agreement, in order to avoid circumventing the provisions of Legislative Decree No. 231 of 8 June 2001 by outsourcing activities that may constitute the predicate offences under the Decree.

As for the objective conditions, the Offence must be committed in the interest and to the advantage of AR-TEX S.p.A. in an area inherent or functional to its corporate purpose.

In order for the unlawful conduct of Key Persons and/or Subordinate Persons to constitute liability for AR-TEX S.p.A., it is sufficient that only one of the two objective conditions - interest or advantage - in favour of the company is fulfilled. It must be clarified that:

- an interest exists when the Key Person and/or Subordinate Person acts with the intention of favouring AR-TEX S.p.A. regardless of whether such a goal has actually been achieved (therefore, it constitutes an ex-ante condition for the conduct),
- an advantage exists when AR-TEX S.p.A. has or could have drawn an economic or other positive result from the conduct of the Key Person and/or Subordinate Person (therefore, it constitutes an ex-post condition of the conduct).

Finally, in accordance with the established case law, liability arising from unlawful conduct committed by a Key Person and/or Subordinate Person of another company of the same group may be extended to the parent company and the unlawful act committed in the subsidiary may be charged to the parent company.

6. EXEMPTION

Legislative Decree No. 231 of 8 June 2001 provides for the exclusion from liability of the company if, prior to the commission of the offence, it has adopted and effectively implemented an organisation, management and control model that is effective, efficient and suitable for preventing the same kind of offence.

The same decree also provides that companies will not be held liable if the Key Person and/or Subordinate Person acts exclusively in their own interest or in the interest of third parties.

For the purposes of exemption from liability where the perpetrator of the offence is a Key or Subordinate Person, chargeability for the company is presumed unless the company can prove:

- it has adopted and effectively implemented, prior to the commission of the Offence, an Organisation, Management and Control Model capable of preventing the commission of offences of the same kind;
- it has established a Supervisory Board within AR-TEX S.p.A. that is independent, autonomous and ensures continuity of action, entrusted with the task of supervising the operation of and compliance with the Model and of updating it;

- that the conduct causing the offence was committed by fraudulently circumventing the existing Organisation, Management and Control Model;
- there has been no omission or insufficient supervision on the part of the Supervisory Board.

Pursuant to Legislative Decree No. 231 of 8 June 2001, the company has an independent title to liability and not joint and several liability with the perpetrator. The company's liability exists even when the perpetrator of the offence has not been identified or the offence expires.

7. PREDICATE OFFENCES AND SANCTIONS

The company may be held liable for the predicate offences under Legislative Decree No. 231 of 8 June 2001. The list of applicable offences is in Annex A.

8. GOVERNANCE

AR-TEX S.p.A. is conducted by a Board of Directors that is vested with all powers of ordinary and extraordinary administration and can assign powers and offices to its members.

The company's legal representation with third parties and in legal proceedings before any administrative or judicial authority shall be vested in the Chairman of the Board of Directors and the delegates severally within the limits of the subject matter and power assigned.

The Board guides, coordinates and controls AR-TEX S.p.A.'s activities.

9. THE CONTROL SYSTEM

General principles

The Control System of AR-TEX S.p.A. is structured to ensure correct reporting and adequate monitoring of its activities. Paying particular attention to the organisational structure, AR-TEX S.p.A. identifies tasks, functions and responsibilities of its personnel. Moreover, in distributing company tasks or activities, it always verifies that the organisation concerned meets the following principles:

- i. Segregation of functions, i.e., no one can independently manage an entire process.
- ii. Control; i.e., each operation, transaction, action must be: verifiable, documented, consistent and congruous.
- iii. Documentation of controls, i.e., the control performed, even if only supervisory, must be documented.

Control activities

AR-TEX S.p.A. control activities generally provide that:

- the company organisation chart and the safety organization chart are clearly defined and disclosed;
- each significant operation is activities generally authorised in advance by people with the power to do so;

- clear responsibilities are identified in the performance of their own activities;
- representation powers, powers of attorney and/or proxies are conferred in compliance with the relevant scope and amount limits strictly related to the responsibilities assigned;
- the integrity and completeness of managed data is ensured through the necessary exchange of information between the operational structures to which related tasks, phases and processes are entrusted.

Financial resources

With particular reference to the methods of management of financial resources, AR-TEX S.p.A. constantly monitors (through the specifically appointed internal and external functions) that the system in place maintains suitability such as to ensure their management in compliance with the obligations under Italian, EU and international regulations; in particular, without prejudice to the provisions of each Special Part of the Model (as provided for by Legislative Decree

No. 231 of 8 June 2001) with regard to the methods of management of financial resources, the monitoring activity carried out by AR-TEX S.p.A. is in general aimed, including but not limited to, at verifying:

- ✓ compliance with the matter limits attributed by law to the corporate bodies;
- ✓ compliance with the power limits attributed by the Articles of Association to the Sole Director;
- ✓ compliance with the law of the actions taken by AR-TEX S.p.A. concerning the management of financial resources;
- ✓ the appropriate assignment of powers with respect to the organisational structure, roles, tasks and responsibilities assigned;
- ✓ the traceability of activities carried out with financial resources and their traceability;
- ✓ the effectiveness of control activities in financial matters and the traceability of the controls performed;
- ✓ planning and budgeting timing;
- ✓ budget approval;
- ✓ operations beyond budget limits;
- ✓ the compulsory approval by the Sole Director and/or the Shareholders' Meeting of extraordinary transactions;
- ✓ compliance with the Shareholders' Meeting resolutions authorising the initiation of extraordinary transactions;
- ✓ the proper allocation and observance of the limits of power to operate on the company's accounts and financial resources, carry out extraordinary transactions and transactions permitted by the corporate purpose in financial matters;
- ✓ compliance with the double signature limit beyond established value limits and transactions on financial resources, including extraordinary ones;
- ✓ periodic reporting by the delegated bodies pursuant to Art.

2381 of the Italian Civil Code on the status of exercise of the delegated power also in financial matters or for extraordinary transactions.

9.3 CONTROL BODIES

Administrative body

The Administrative Body (i.e., the Board of Directors) has the power to direct, coordinate and control corporate management. The Administrative Body is also responsible for the entire internal Control System.

Board of Auditors

Pursuant to the law and the articles of association, the Board of Auditors is responsible for monitoring the adequacy of the administrative, accounting and financial organisational structure.

External auditor

Auditing is carried out by the Board of Auditors unless, in accordance with the law, the Company appoints an external auditor.

Employer

In the field of occupational health and safety, the Chairman also has the function of employer. The AR-TEX S.p.A. Employer shall guarantee compliance with the obligations under Legislative Decree No. 81 of 9 April 2008.

Function delegate pursuant to art. 16 of Legislative Decree No. 81 of 9 April 2008 (if appointed)

The Function Delegate is, within the powers entrusted to the same by the Employer and accepted by the same, the Employer's alter ego and shall guarantee compliance with the obligations under Legislative Decree No. 81 of 9 April 2008. **Quality Manager**

The Quality Manager is responsible for supporting the development, implementation, monitoring and improvement of the quality management system of AR-TEX S.p.A.'s production flows and processes.

Health, Safety and Environment Manager

The Health, Safety and Environment Manager is responsible for supporting the development, implementation, monitoring and improvement of AR-TEX S.p.A. health and safety management system.

Data Controller and Data Processor (*Privacy decree as amended by the European Regulation - GDPR*)

The Data Controller and the Data Processor manage the fulfilment of the specific reference legislation in the name and on behalf of AR-TEX S.p.A.

Technical and function managers

Within their competences, the technical and function or area Managers of AR-TEX S.p.A. are responsible for the activities carried out by them in the interest or to the advantage of the company and the activities carried out by their own employees.

Employees (workers and clerical personnel)

AR-TEX S.p.A. employees are responsible for properly carrying out their activities and for reporting the relevant outcome to their Manager.

Supervisory Board

The Supervisory Board appointed by resolution of the Board of Directors supervises the functioning of the models and compliance with them, ensuring that they are updated.

10. THE DELEGATION SYSTEM

10.1. Preamble

The allocation of powers to operate is based on the following general criteria:

- “exact” delegated subject matter and limitation of powers;
- “publicity” of powers and responsibilities inside and outside the company;
- "consistency" of the powers of representation with the assigned competences;
- "certainty" in exercising the assigned power of representation and/or signature.

10.2. Proxies and powers of attorney

Essential requirements for attribution

The granting of mandates, proxies and powers of attorney to act as representatives in the interests and to the benefit of AR-TEX S.p.A. shall comply with the following principles:

- all those dealing with the Public Administration on behalf of AR-TEX S.p.A. must be expressly authorised;
- each proxy and/or power of attorney must specifically and unequivocally define the powers granted and the relevant limits;
- the delegate and/or attorney is granted spending powers appropriate to the functions conferred;
- proxies and powers of attorney shall be made public.

Granting and revoking proxies and powers of attorney

The granting of proxies and powers of attorney must comply with the limits provided for by law, as well as with the Articles of Association provisions, in accordance with the management procedures laid down by the management body.

The Board of Directors periodically checks, with the help of the competent corporate functions, compliance with the current System of proxies and powers of attorney and its consistency with the organisational structure.

11. THE ORGANIZATION, MANAGEMENT AND CONTROL MODEL

Adoption of the model

The adoption of this document is the sole responsibility of the Administrative Body.

This Model has been developed by AR-TEX S.p.A. by taking into account the structure of the activity carried out and the nature and size of its organisation.

AR-TEX S.p.A. has performed a preliminary analysis of the corporate context. In particular, the following elements have been analysed: AR-TEX S.p.A. history, the company context, the reference market, the company organisation chart, the governance system, the control system, the delegation system, the procedures already implemented within AR-TEX S.p.A. for the performance of corporate activities; the following have been carried out:

- individual interviews with the director and managers of the different areas;
- an analysis of the company organisation charts and the system of allocation of responsibilities and powers;
- an analysis of the strength of procedures and/or controls;
- an analysis of the Control System in place.

Objectives

AR-TEX S.p.A. ensures fairness and transparency in the conduct of its business. To this end, it took the opportunity provided by Legislative Decree

No. 231 of 8 June 2001 and has started a project aimed at analysing its organisational and control management tools in order to verify the compliance of the behavioural principles and procedures already adopted with the purposes of the Decree

In this sense, the adoption of the Model constitutes a valid tool to raise the awareness of all those who work in the name and on behalf of AR-TEX S.p.A., as well as an incentive to behave properly.

In particular, by adopting the Model AR-TEX S.p.A. set the following objectives:

- to raise, in all those acting in the interest or to the advantage of the company, the awareness that, in case of violations (of the provisions of law including those in Leg.

Decree 231/2001 and those in the special part of the Model), they may incur in criminal sanctions imposed on them and administrative sanctions that may be imposed on the company;

- to confirm that unlawful conduct is strongly condemned by AR-TEX S.p.A., since it is contrary not only to the provisions of the law, but also to the principles of the Code of Ethics and to the values that AR-TEX S.p.A. intends to adhere to in the performance of its corporate activities;
- to enable AR-TEX S.p.A., thanks to monitoring on the areas of activity at risk, to act promptly in order to prevent and counteract the commission of unlawful conduct that may constitute the predicate offences under the Decree;
- to provide the Addressees with proper information on the adoption of the Model;
- to continue to spread a business culture based on preventive control and lawfulness;

- to condemn any conduct that does not comply with the law or internal provisions and in particular with the instructions contained in this Model and the Code of Ethics of AR-TEX S.p.A;
- to create and maintain an effective and efficient company organisation, through processes focuses on roles, decision-making and internal and external information management;
- to implement all measures necessary to eliminate, as soon as possible, any risk of unlawful conduct constituting the predicate offences referred to in Legislative Decree No. 231 of 2001.

Value of the Model and the Code of Ethics

This document is an internal regulation of AR-TEX S.p.A. binding for the same and for all its Addressees. In particular, the Code of Ethics expresses the ethical and moral values of AR-TEX S.p.A.

Compliance with the Model also implies compliance with the provisions of the Code of Ethics, which is an integral part of it.

Amendments and update to the Model

Amendments, additions and updates to the Model are the responsibility of the Administrative Body, which may also act on the proposal of the Supervisory Board. The Model must be updated when, without limitation:

- violations or circumventions of the provisions therein have occurred proving its ineffectiveness or inconsistency in preventing predicate offences;
- significant changes have occurred in the regulatory framework or the AR-TEX S.p.A. organisation or activity requiring specific analyses and the drafting of special parts and specific protocols;
- in any other cases in which it is necessary or useful to amend, supplement and/or update the Model. The Chairman of the Board of Directors may make amendments, additions and or updates to the Model of an ordinary nature and as a mere formal compliance with the law. In such circumstances, the Chairman shall report to the Board of Directors on the activities carried out.

The Supervisory Board shall be constantly informed of any amendments, additions and updates made to the Model, protocols, procedures and controls in AR-TEX S.p.A.

12. THE SUPERVISORY BOARD AND THE INFORMATION FLOW

Compliance with the provisions of Legislative Decree No. 231 of 8 June 2001

is also an essential element for the appointment of the Supervisory Board.

For this reason, the Supervisory Board must be able to exercise its powers and its function in a concrete manner and the administrative body must enable it to perform them correctly. This is the necessary prerequisite for the effectiveness of the control action carried out by the Supervisory Board and, therefore, the initial prerequisite for the entity's exemption from liability.

For a proper establishment of the Supervisory Board, it is necessary to carefully assess, in view of the tasks and functions it will perform, whether it meets the requirements of independence, autonomy and continuity of action required by law for each member and the entire body.

Tasks and function

The Supervisory Board is responsible for constantly monitoring:

- the Model functioning;
- compliance with the Model, and
- making sure it is updated.

The Supervisory Board regulation

At its first meeting, the Supervisory Board must adopt its own Regulation, in which it must also provide evidence of the planning methods for the assigned control activities, as well as annually submit its budget to the Administrative Body for approval.

Composition of the Supervisory Board

Taking into account its size, core business and turnover, the Company, in order to ensure greater effectiveness of the controls required by law, has opted for a multi-subject Supervisory Board. The Administrative Body shall state the number of members of the Supervisory Board upon appointment.

The Supervisory Board may include members that are not part of AR-TEX S.p.A., provided that they meet the following requirements:

- **Autonomy and independence:** in order to guarantee the autonomy of members from any form of interference and conditioning by any component of AR-TEX S.p.A. and in particular by top management and/or executive bodies, especially considering that the function exercised includes also the supervision of the activities of the Key bodies, which include the members of the Administrative Body.

For this reason, the Supervisory Board must be in the highest hierarchical position possible within AR-TEX S.p.A., reporting only to the Administrative Body.

The Supervisory Board must be provided with specific company resources and be able to avail itself of the cooperation of all personnel and functions/areas of AR-TEX S.p.A.

To this end, the Administrative Body must provide the Supervisory Board with specific corporate resources, of an amount and value proportionate to its tasks, annually approving the budget proposed by the same, as an adequate endowment of financial resources.

The Supervisory Board may make use of the aforementioned resources for any requirement necessary for the proper performance of its tasks, also availing itself, where necessary, of specialist advice, incurring travel expenses, etc.

In deciding the composition of the Supervisory Board (in this case in a multi-subject form), the Administrative Body must take into account the following criteria included in the Confindustria Guidelines:

1. if the Supervisory Board consists of external members only, the requirements of autonomy and independence

must be referred to each of them;

2. in the event of a mixed composition, since internal members are not required to be completely independent from the entity, the Body degree of independence must be assessed as a whole.

➤ **Professionalism:** the Supervisory Board must include technical and professional skills that are appropriate to its tasks and functions.

Therefore, its members must include people with expertise in economics, law, process analysis, control and management of business risks, investigations, controls and audits.

In particular, the Supervisory Board must have the specialised technical capabilities required to carry out inspections.

After identifying the members of the Supervisory Board, the Shareholders' Meeting, upon appointment, must verify the existence of the conditions required by the Model, based on *professional profiles*, actual experience in the field, acquiring, if it is the case, also any necessary references from third parties and declarations from the candidates.

Taking into account the heterogeneity of the technical aspects of AR-TEX S.p.A. activities, the Supervisory Board, in order to implement the professional skills useful or necessary for the proper performance of its activities and ensure its professionalism (as well as its autonomy), may use the budget specifically approved by the Administrative Body, in order to acquire, if necessary, external skills that supplement its own.

Therefore, the Supervisory Board may have recourse to external professionals that are experts in law, company organisation, auditing, accounting, finance, occupational safety, the environment, etc.

➤ **Continuity of action:** the Supervisory Board is required to continuously perform the activities necessary for supervising the application of the Model with proper commitment and the necessary powers of investigation. Continuity of action must not be understood as “incessant operation”, since such an interpretation would necessarily require a Supervisory Board exclusively within the entity.

Continuity of action implies that the Supervisory Board activity must not be limited to periodic meetings of its members, but should be organised on the basis of an action plan and the constant performance of monitoring and analysis activities on the entity's prevention system.

It is also important to mention the provisions on page 60 of the Confindustria Guidelines (2014), which state, echoing the Court of Rome judgement dated 4 April 2003, that ... *in order to ensure the effective and constant implementation of a model as articulated as the one defined in Decree 231, especially in large and medium-sized companies, it is necessary to have a structure devoted full-time to the activity of supervising the Model (the Supervisory Board), without any operational duties that could lead it to take decisions with economic and financial effects.*

On the same point, the Confindustria Guidelines (2014) state also that ... *this does not exclude, however, that (...) the SB may also provide opinions on the development of the Model, so that it is not weak or deficient since its drafting: in this sense, any advice, in fact, does not affect the independence and objectivity of judgement on specific events ...*

➤ **Term of office**

The Supervisory Board remains in office for a maximum of three years from the appointment date; the same members of the body may be re-appointed.

Eligibility requirements

Upon appointment, the Administrative Body must verify that each member of the Supervisory Board is endowed with professionalism, honourableness, independence, autonomy and can ensure continuity of action as stated above and has the necessary skills to perform the tasks entrusted to them by the Decree. All members of the Supervisory Board are required not to be in any of the following conditions of ineligibility and/or incompatibility and conflict of interest:

- (a) having been subjected to preventive measures ordered by judicial authorities pursuant to Law No. 1423 of 27 December 1956 (law on preventive measures against persons held to be dangerous to public security and morality) or Law No. 575 of 31 May 1965 (Provisions against the Mafia) and their subsequent amendments and additions;
 - (b) being under investigation or having been convicted, even if the judgement is not yet final or issued pursuant to art. 444 et seq. of the Italian Criminal Code (plea bargaining), or with a conditionally suspended sentence, without prejudice to the effects of reinstatement;
 - (c) being disqualified, incapacitated, bankrupt or having been sentenced, even with a non-final judgement, to a penalty entailing debarment, even temporary, from holding public offices or incapacity to hold executive offices.
- The occurrence of even one of the aforementioned conditions shall result in the ineligibility for the office of member of the Supervisory Board and, if elected, shall allow the administrative body to revoke the member for cause; in this case, the administrative body shall replace the revoked member.

Revocation, replacement, forfeiture and withdrawal

Without prejudice to the above, removal from office as a member of the Supervisory Board may only be ordered for cause.

For example and without limitation, the following are legitimate conditions for revocation for cause:

- loss of eligibility requirements;
- non-fulfilment of the relevant obligations;
- failure to meet the principles of the Code of Ethics and the general and special good conduct protocols of each special part adopted.

In case of cause, the Board of Directors shall revoke the appointment of the Supervisory Board member who is no longer suitable and shall immediately replace them, paying the relevant emolument up to the date of their term of office.

Any incapacity or inability to hold the office before the expiry of the term provided for in this Model shall constitute grounds for forfeiture of the office.

Each member of the Supervisory Board may withdraw at any time, subject to one month's notice, by written and grounded notice to the Board of Directors.

In the event of forfeiture or withdrawal of one of the members of the Supervisory Board, the Administrative Body shall promptly replace the member in question.

Activities and powers

At its first meeting, the Supervisory Board adopts its own regulation and appoints its chairman. In order to perform its tasks, the Supervisory Board is vested with the tasks and functions provided for by this Model and all powers of initiative and control over all company activities. This corporate body is exclusively dependent on the Shareholders' Meeting, to which it reports through its chairman. The tasks and powers of the Supervisory Board and its members cannot be criticized by any other corporate body or structure, it being understood that the Board of Directors may verify the consistency of the activities carried out by the Supervisory Board with the functions assigned to it.

The Supervisory Board performs its functions in coordination with all the other corporate control bodies or functions.

In particular, it shall collaborate with:

- the Administration, Finance and Accounting Manager;
- the Personnel Department Manager, also with reference to aspects relating to personnel information and training on issues concerning the Decree;
- the Employer pursuant to art. 2 of Legislative Decree No. 81 of 9 April 2008;
- the Function Delegate pursuant to art. 16 of Legislative Decree No. 81 of 9 April 2008- if appointed;
- the HSO pursuant to art. 2 of Legislative Decree No. 81 of 9 April 2008;
- the Quality Manager;
- the Health and Safety Manager;
- the Environmental Management System Manager;
- the Data Controller and Supervisor;
- Technical and Function or Area Managers of AR-TEX S.p.A.;
- Employees, considering all personnel employed by AR-TEX S.p.A. including workers and clerical personnel;
- functions carrying out activities at risk for all aspects relating to the control of existing operational procedures;
- functions with which the Supervisory Board deems it useful, necessary and/or indispensable to deal.

Within its tasks, the Supervisory Board may, by way of example but not limited to:

- carry out or arrange for regular inspection activities under its direct supervision and responsibility;
- access to all information concerning the sensitive activities of AR-TEX S.p.A.;
- request information or the production of documents concerning sensitive activities to all employees of AR-TEX S.p.A. and, where necessary, to the Sole Director, the body responsible for auditing (even in the event that an auditing company is appointed), the persons appointed in compliance with the provisions of accident prevention, environmental and privacy laws and in general all persons involved in the activities of AR-TEX S.p.A.;
- have recourse to external consultants for issues requiring their support;
- propose the adoption of disciplinary measures and sanctions;
- verify the adequacy of the planning of specific personnel training programmes;
- submit, at least annually, a written report to the Administrative Body;
- immediately inform those concerned and the Sole Director of the activities carried out;
- receive information and notices from anyone;
- carried out investigations on facts reported by anyone;
- perform periodic audits on activities at risk.

Remuneration and expense reimbursement

Remuneration due to the members of the Supervisory Board (including the Chairman or those holding particular offices) is established upon appointment or by subsequent decision of the Administrative Body.

The Supervisory Board members are also entitled to reimbursement of expenses incurred in the performance of their duties.

Obligations to inform the Supervisory Board - Information flows

Pursuant to Legislative Decree No. 231 of 8 June 2001, the Model provides for the management of information flows to the Supervisory Board (hereinafter also referred to as “SB”).

The Supervisory Board bases the proper and efficient performance of its duties on the availability of all necessary information related to the identified risk areas. For this reason, the SB shall have access to all data and information necessary to perform its duties.

The obligation to inform the Supervisory Board applies to all the corporate functions and may concern the periodic results of the control activities carried out by them in order to implement the existing procedures and controls (e.g., summary reports of activities carried out, monitoring activities, final indices, etc.) and anomalies or atypicalities found in available information.

Besides the information flows provided for by each special part, information may also concern, without limitation:

- decisions relating to the application for, disbursement and use of public funds;
- the reasons for legal assistance requested by managers and/or employees for acts on which the judicial authority started proceedings;

- measures and/or notices from the criminal police or other authorities and from which it can be inferred that investigations are being carried out, even against persons unknown, not only for the predicate offences under Legislative Decree No. 231 of 8 June 2001;
- internal investigations and/or reports from which responsibility emerges also for the predicate offences under Legislative Decree No. 231 of 8 June 2001;
- information on the actual implementation of the Model, with evidence of the disciplinary proceedings carried out and any sanctions imposed, or of the orders to dismiss such proceedings with the relevant reasons;
- summary reports on contracts awarded to third parties to perform activities inside and outside the company site;
- summary reports on public tenders in which AR-TEX S.p.A. takes part or will take part or in which it is participating;
- summary reports on contracts awarded by both private and public entities in any form;
- information on orders awarded by public bodies or entities providing public utilities;
- copies of periodic reports on occupational health and safety and the environment, including Duvri, DVR, PSC, POS, appointment documents for site functions, etc.;
- the report on checks performed by corporate management on the activities carried out by its subordinates.

The Supervisory Board should also receive copies of periodic reports on occupational health and safety and the environment.

Note that the information provided to the Supervisory Board is intended to enable it to improve its own control planning activities and not to impose on it activities of detailed and systematic verification of all the phenomena stated¹.

As for this obligation to inform the Supervisory Board, it should be noted also that the obligation to inform the employer of any conduct contrary to the Model falls within the employee's broader duty of diligence and loyalty provided for by articles 2104 and 2105 of the Italian Civil Code, which provide that the employee:

¹ see page 69 Confindustria Guidelines (2014) - "...With particular reference to the periodic information flows from management, if they provide for the obligation to communicate the results of controls already carried out and not the transmission of information or documents to be checked, such periodic flows shed light on the different roles in the field of prevention. In fact, if well defined, information flows specify that management must carry out control actions, while the SB - as an assurance mechanism - must assess the controls performed by management. Moreover, the obligation to report the results of controls to the Supervisory Board produces an empowering effect on operational management. The Supervisory Board should also receive copies of periodic reports on occupational health and safety and the environment. It should be noted that the information provided to the Supervisory Board is intended to enable it to improve its own control planning activities and not to impose on it activities of detailed and systematic verification of all the phenomena stated. In other words, the SB has not any obligation to act every time there is a report, it being left to its discretion (and responsibility) to determine when to act. It should be added also that the obligation to provide information was probably established in order to give greater authority to requests for documentation that are necessary for the audits carried out by the Supervisory Board."

- must adhere to the diligence required by the nature of the performance due, the interest of the company and the higher interest of national production;
- must also comply with the instructions for the performance and discipline of work given by the entrepreneur and the entrepreneur's employees on whom he is hierarchically dependent;
- must not engage in business, on their own account or on behalf of third parties, in competition with the entrepreneur, nor disclose information concerning the organisation and production methods of the enterprise or use it in such a way as to be prejudicial to the company.

Information flows to the Supervisory Board - Whistleblowing²

In order to enable all the Model Addressees to communicate with the SB, AR-TEX S.p.A. has implemented the following tools and means of confidential internal and external mail, as well as a dedicated email box.

Internal mail: in order to ensure maximum confidentiality, communications must be sent to the administration area, addressed to *the Supervisory Board of AR-TEX S.p.A.* with the following wording outside the sealed envelope: “*Communication to the Supervisory Board. Strictly confidential*” **Ordinary external mail:** In order to ensure maximum confidentiality, communications must be addressed to the *Supervisory Board of AR-TEX S.p.A. with registered office in ___ (BG), Via No.*, with the following wording outside the envelope: “*Communication to the Supervisory Board. Strictly confidential*”.

Email box: odv231artexspa@gmail.com

In all the cases above, correspondence must not be opened and delivered to an external member of the Supervisory Board.

Note that reports received through the aforementioned channels must not have a purely informing purpose (i.e., anonymous reports actually aimed at protecting one's own interests but sometimes also for other defamatory reasons, spite, revenge, etc.) and must:

- clearly identify the reporting person and their contact details and, if an employee, the relevant department;
- clearly state:
 - ✓ the event and/or fact occurred;
 - ✓ the details (name and surname) of the people involved, if known;
 - ✓ the timing and manner of execution of the reported event;
 - ✓ any other elements useful for the description of the event and its authors.

² Law No. 179 of 30 November 2017, Provisions for the protection of whistleblowers who report crimes or misconduct of which they become aware in the context of private or public employment - Legislative Decree No. 231 of 8 June 2001 - art. 6, par. 2 - provisions on whistleblowing

The format in **Annex 2** to this General Part may also be used for communications to the SB. Within their respective competences, AR-TEX S.p.A. and the SB undertake to take all suitable measures to guarantee the confidentiality of reports to the SB (among them, the aforementioned preferential communication/reporting channel is a first and essential element), undertaking to process common and sensitive data and information therein in accordance with the Privacy Decree and its subsequent amendments and additions.

Bona fide whistleblowers will be protected against any form of retaliation, discrimination or penalisation, also pursuant to Law No. 1793 of 30 November 2017, and their identity confidentiality will be guaranteed, without prejudice to legal obligations and the protection of the rights of AR-TEX S.p.A. or of the persons accused wrongly or in bad faith. Any informing behaviour and behaviour intended to slow down the SB activity will be reported to the person in charge of the disciplinary procedure for appropriate assessment.

The aforementioned reports must be made available to the Supervisory Board, which will ascertain the truth and validity of the reports received.

Information flows to top management

The SB shall report exclusively to the Board of Directors on the Model state of implementation, any critical issues, the need for any updates and adjustments to the Model, the results of the activity carried out and the reporting of violations ascertained.

The Supervisory Board prepares a report at least once a year stating:

- the activities and controls carried out in the year;
- any discrepancies between the operational procedures and the provisions of the Model;
- the new areas of predicate offences provided for by the Decree;
- the verification carried out following reports on violations of the Model and, without prejudice to the confidentiality required by law, the results of the verifications on the aforementioned reports;
- any actions to be carried out as a result of changes in the regulatory framework, non-compliance detected or reported, changes in the company's activities or in the level of risk detected by the company;
- a statement of actual expenses against the budget.

Without prejudice to the above, the Board of Directors has the right to convene the Supervisory Board at any time, which, in turn, can request the aforementioned bodies to be convened when, due to the requirements of its activities, it deems it appropriate.

Gathering and storing information

³ Provisions for the protection of whistleblowers who report crimes or misconduct of which they become aware in the context of private or public employment - Legislative Decree No. 231 of 8 June 2001 - art. 6, par. 2 - provisions on whistleblowing.

Any information and report provided for in the Model shall be kept by the SB secretariat in a special file (electronic and/or paper) for the period necessary for the completion of the activity and provided for by law.

13. THE SYSTEM OF SANCTIONS

Any violations of the Model and the Code of Ethics must be reported to the Supervisory Board, without prejudice to all the prerogatives and measures falling within the competence of the disciplinary authority. All the Model Addressees have the obligation to report any violations.

Upon receipt of the report, the SB must inform the Shareholders' Meeting of the results of the investigation carried out, without prejudice to confidentiality. Any sanctions shall be issued by the competent bodies of AR-TEX S.p.A. by virtue of the powers granted to them by law.

Actions that may constitute a disciplinary offence include, without limitation:

- failure to comply, by omission or in conjunction with others, with the Code of Ethics, protocols, procedures and the Model;
- destruction, alteration, concealment or theft of documents necessary for the internal control provided for by the Model;
- drafting of untruthful documentation, including with the help of third parties;
- acts aimed at preventing the supervisory activity of the corporate bodies and the SB;
- denial of access to the documentation and information necessary for the purposes of control;
- any other actions that may constitute a violation of the Model, the Code of Ethics, the protocols, the procedures provided for in the control system, etc.;
- unjustified withdrawal from training;
- omission of actions for the dissemination of the preventive control system.

Sanctions and disciplinary measures

The Model, in compliance with the provisions of the Statute of Workers' Rights and the NCBA for the category, set rules of conduct to be complied with by personnel. Any violation thereof shall entail the initiation of the relevant disciplinary proceedings and the issue of the relevant sanctions. All Addressees are required to comply with the provisions of the Model.

Measures against Employees

In the event of violations of the Model by employees, the provisions of article 7 of Law No. 300 of 20 May 1970 (Statute of Workers' Rights), as amended and

supplemented, and of the category NCBA will apply. If the conduct represents a breach of the employment relationship obligations, without prejudice to the disciplinary procedure and the relevant measure, AR-TEX S.p.A. may take into account the provisions of Article 2119 et seq. of the Italian Civil Code.

Measures against management

In the event of violations of the Model by executives, the disciplinary authority shall initiate the procedures falling within its competence for the purpose of any charges and the possible application of the sanctions provided for by law and the category NCBA, with the possible revocation of the powers granted to them by formal deeds such as powers of attorney, proxies, etc.

If a member of the Administrative Body violates the Model, the Supervisory Board must immediately inform the Shareholders' Meeting. Following the aforementioned notification, the Shareholders' Meeting, after assessment, shall take the measure it deems appropriate based on the seriousness, fault and damage that the Executive has caused to the Company.

If the violation is detrimental to the relationship of trust with the Company, the Shareholders' Meeting may formally dismiss the Executive for cause.

Measures against Directors

If the Sole Director violates the Model, the Supervisory Board must immediately inform the Shareholders' Meeting. Following the aforementioned notification, the Shareholders' Meeting, after assessment, shall take the measure it deems appropriate based on the seriousness, fault and damage that the Sole Director has caused to the Company.

If the violation is detrimental to the relationship of trust with the Company, the Shareholders' Meeting may formally dismiss the Sole Director for cause.

Measures against members of the Board of Auditors - if appointed

In the event of violations of the Model by a member of the Board of Auditors, the Administrative Body, if the violation can lead to a revocation for cause, proposes to the Shareholders' Meeting, having heard the other members of the Board of Auditors, the adoption of the measures within its competence, taking the further steps required by law.

Measures against third parties

As for relationships with third parties, the relevant agreements must include mechanisms or clauses that inform the counterparties of the adoption of the Model pursuant to Legislative Decree No. 231 of 8 June 2001.

The agreement must also state that failure to comply with the obligations under

Legislative Decree No. 231 of 8 June 2002 entails the legal termination of the agreement pursuant to art. 1456 of the Italian Civil Code, without prejudice to any compensation for damages caused to the Company.

The non-inclusion of such clauses or mechanisms shall be communicated by the competent corporate function, together with the reasons for it, to the Supervisory Board.

14. THE COMMUNICATION- INFORMATION – TRAINING SYSTEM

14.1. Communication and information

AR-TEX S.p.A. shall organise meetings for the communication and dissemination of the Code of Ethics and the organisation, management and control Model adopted for the management and prevention of risks pursuant to Legislative Decree No. 231 of 8 June 2001.

Taking into account the importance that knowledge of the subject matter has for the correct performance of company activities in compliance with the principles of transparency, laws, regulations and ethical-social principles, as well as in order to ensure its appropriate dissemination within the company, AR-TEX S.p.A. shall ensure the creation of a folder accessible to all employees, containing the following documents and subsequent amendments and additions:

- ✓ the Code of Ethics;
- ✓ the text of Legislative Decree No. 231 of 8 June 2001;
- ✓ the organization, management and control model general part and special part

AR-TEX S.p.A. shall also inform customers, suppliers and third parties in general of the adoption of the Model and the Code of Ethics, also publishing on its website:

- ✓ the Model General Part;
- ✓ the Code of Ethics.

As for suppliers and third parties in general that have business relations with AR-TEX S.p.A., they will be informed of the adoption of the Model and the Code of Ethics, also specifying that any violation of the provisions of Legislative Decree No. 231 of

8 June 2001 and the Code of Ethics of AR-TEX S.p.A. may constitute grounds for legal termination of their contractual relationship pursuant to art. 1456 of the Italian Civil Code.

The dissemination of the Model and the Code of Ethics is compulsory: specific communication, information and training activities aimed at both personnel (workers and clerical personnel) and management and top management must be tracked.

14.2. Training

As for training, in addition to planning general training aimed at communicating, informing and training the Addressees on the provisions of the Decree, the reasons of expediency and the legal reasons for the adoption of the Model, AR-TEX S.p.A shall also plan a suitable programme of specific training aimed at personnel working in areas at risk appropriately provided based on the relevant workplaces, levels and duties.

14.3 Training plan

Principles

The training plan shall be organized by taking into account the contents and methods for providing training, the qualification of the Addressees, the risk level of the area in which they operate, the powers and/or delegations

conferred on them.

The training and its contents shall be organized in different modules based on the addressees' level and role in the organization, taking into account:

- their responsibilities and duties (with particular reference to those performing sensitive activities);
- new recruits and new assignments (particular attention shall be paid to new recruits, providing them with specific training modules);
- personnel entrusted with new assignments (with particular reference to those performing sensitive activities).

Content of training sessions

Training shall include:

- a basic part aimed at all addressees and concerning the reference legislation, the Model and its operation;
- a special part related to specific operational areas, which, based on the mapping of sensitive activities, is aimed at disseminating knowledge of the offences and safeguards that are specific to the areas of competence of the Addressees.

Training is **compulsory** and must be documented through a final certification of course attendance and related learning. Training can be delivered as follows:

- classroom sessions with dedicated meetings or by introducing specific modules within already adopted standard training sessions;
- e-learning: through a module on the basic part for all employees and with learning tests.

The training content must be properly updated based on the evolution of legislation and changes in the Model.

Monitoring and verification of the training plan implementation

It is the responsibility of AR-TEX S.p.A. to collect evidence of the actual planning of training, participation in training programmes and custody of documentation in the appropriate files and/or folders of the personnel concerned. The Supervisory Board may perform periodic checks on the employees' degree of knowledge of the Decree and the Model.

15. CRITERIA FOR THE ABSTRACT APPLICABILITY OF PREDICATE OFFENCES TO AR-TEX S.p.A. CORE BUSINESS

The Administrative Body shall also assess the abstract sensitivity of the offences provided for by the Decree to the core business of AR-TEX S.p.A., taking into account, among others, the following criteria:

- subjective conditions for chargeability;

- objective conditions for chargeability;
- exclusion criteria:
- traceability of the conduct directly or indirectly to AR-TEX S.p.A.'s business;
- interest or advantage for AR-TEX S.p.A.;
- repetitiveness of the unlawful conduct within the company's business, as well as consequences and damages suffered by AR-TEX S.p.A.;
- Internal processes/flows to which the unlawful conduct applies;
- punishability of the offence due to fraud or negligence;
- reasonable likelihood of the possible illegal conduct being carried out within the company's processes/flows.

By using the aforementioned criteria and any other criteria that will be taken into account, AR-TEX S.p.A. and its management will be able to prioritise and/or initiate appropriate action plans for the corporate activities that are most sensitive to risks and those that may be in the future.

AR-TEX S.p.A.

On behalf of the Board of Directors

(signed by the Chairman)

ANNEX 1

Below are the predicate offences for the applicability of liability under Decree No. 231:

- ✓ **Crimes against the public administration (art. 24)** - whose predicate offences are: misuse of public funds (art. 316-bis of the Italian Criminal Code), undue receipt of funds to the detriment of the State (art. 316-ter of the Italian Criminal Code), fraud to the detriment of the State or another public body or on the pretext of having someone exempted from military service (art. 640, paragraph 2, no. 1 of the Italian Criminal Code), aggravated fraud to obtain public funds (art. 640-bis of the Italian Criminal Code), computer fraud (art. 640-ter of the Italian Criminal Code),
- ✓ **Computer crimes and unlawful data processing (art. 24-bis)** - whose predicate offences are: falsification of a public or private computer document (art. 491-bis of the Italian Criminal Code), unauthorised access to a computer or telematic system (art. 615-ter of the Italian Criminal Code), unauthorised possession and dissemination of access codes to computer or telematic systems (art. 615-ter of the Italian Criminal Code), distribution of computer equipment, devices or programmes aimed at damaging or interrupting a computer or telematic system (art. 615-quinquies of the Italian Criminal Code), unlawful interception, obstruction or interruption of computer or telematic communications (art. 617-quarter of the Italian Criminal Code), installation of equipment aimed at intercepting, obstructing or interrupting computer or telematic communications (art. 617-quinquies of the Italian Criminal Code), damaging computer information, data and programmes (art. 635-bis of the Italian Criminal Code), damaging computer information, data and programmes used by the State or other public body or in any case of public utility (art. 635-ter of the Italian Criminal Code), damaging computer or telematic systems (art. 635-quater of the Italian Criminal Code), damaging computer or telematic systems of public utility (art. 635-quinquies of the Italian Criminal Code), computer fraud of the person providing electronic signature certification services (art. 640-quinquies of the Italian Criminal Code), computer fraud (art. 640-ter, paragraph three of the Italian Criminal Code), criminal sanctions (art. 55, paragraph 9 - Legislative Decree No. 231 of 21 November 2007 - misuse of credit or payment cards), unlawful data processing (art. 167 of Legislative Decree No. 196 of 30 June 2003), false declarations and notifications to the Privacy Authority (art. 168 of Legislative Decree No. 196 of 30 June 2003), security measures (art. 169 of Legislative Decree No. 196 of 30 June 2003), failure to comply with measures of the Privacy Authority (art. 170 of Legislative Decree No. 196 of 30 June 2003), other offences (art. 171 of Legislative Decree No. 196 of 30 June 2003).
- ✓ **Organised crime offences (art. 24-ter)** - whose predicate offences are: criminal association (art. 416 of the Italian Criminal Code, with the exception of paragraph 6), criminal association for the purpose of enslavement

or keeping in slavery, trafficking in persons, the purchase and sale of slaves and offences concerning violations of the provisions on illegal immigration set out in art. 12 of Legislative Decree No. 286/1998 (art. 416, paragraph 6, of the Italian Criminal Code), mafia-type criminal association (art. 416-bis of the Italian Criminal Code), political-mafia vote exchange (art. 416-ter of the Italian Criminal Code), kidnapping for ransom (art. 630 of the Italian Criminal Code), association for the purpose of illegal trafficking in narcotic or psychotropic substances (art. 74 of Presidential Decree No. 309 of 9 October 1990), illegal manufacturing, import, sale, transfer, possession and carrying in a public place or a place open to the public of military weapons or weapons of military grade or parts of them, explosives, clandestine weapons as well as several common firing weapons(*) (art. 407, paragraph 2, letter a), number 5) of the Italian Code of Criminal Procedure). (*) Excluding those known as “gallery” or gas-emitting weapons, as well as compressed air or compressed gas weapons, both long and short, whose projectiles deliver a kinetic energy of more than 7.5 joules, and rocket launchers, unless they are weapons intended for fishing or weapons and instruments for which the “Central Advisory Commission for Weapons Control” excludes, based on their characteristics, the possibility to cause offence to the person.

- ✓ **Embezzlement, corruption and abuse of office, extortion and undue inducement to give or promise benefits (art. 25)** - Corruption for an official act (art. 318 of the Italian Criminal Code - art. 321 of the Italian Criminal Code), incitement to corruption (art. 322 of the Italian Criminal Code), extortion (art. 317 of the Italian Criminal Code), corruption for an act contrary to official duties (art. 319 of the Italian Criminal Code - art. 319-bis - art. 321 of the Italian Criminal Code), bribery in judicial proceedings (art. 319-ter, paragraph 2 of the Italian Criminal Code; art. 321 of the Italian Criminal Code), undue inducement to give or promise benefits (art. 319-quater of the Italian Criminal Code), bribery of a person in charge of a public service (art. 320 of the Italian Criminal Code), embezzlement, extortion, bribery and incitement to bribery of members of the bodies of the European Communities and officials of the European Communities and foreign countries (art. 322-Bis of the Italian Criminal Code), trafficking in unlawful influence (art. 346-bis of the Italian Criminal Code). When the offence affects the financial interests of the European Union: Embezzlement of public funds (art. 314, paragraph 1 of the Italian Criminal Code), Embezzlement by profiting from the error of others (art. 316 of the Italian Criminal Code), Abuse of office (art. 323 of the Italian Criminal Code).
- ✓ **Counterfeiting money, legal tender, revenue stamps and identification tools or marks (art 25-bis)** - whose predicate offences are: counterfeiting money, spending and introduction into the State, in concert, of counterfeit money (art. 453 of the Italian Criminal Code), alteration of money (art. 454 of the Italian Criminal Code), spending and introduction into the State, without concert, of counterfeit money (art. 455 of the Italian Criminal Code), spending of counterfeit money received in good faith (art. 457 of the Italian Criminal Code), counterfeiting of revenue stamps, introduction into the State, purchase, possession or putting into circulation of counterfeit revenue stamps (art. 459 of the Italian Criminal Code), counterfeiting of watermarked paper in

use for the manufacture of legal tender or revenue stamps (art. 460 of the Italian Criminal Code), manufacture or possession of watermarks or instruments intended for counterfeiting money, revenue stamps or watermarked paper (art. 461 of the Italian Criminal Code), use of counterfeit or altered revenue stamps (art. 464 of the Italian Criminal Code), counterfeiting, alteration or use of trademarks or distinctive marks or of patents, models and designs (art. 473 of the Italian Criminal Code), introduction into the State and trade of products with false marks (art. 474 of the Italian Criminal Code).

- ✓ **Offences against industry and trade (art. 25-bis 1)** - whose predicate offences are: disruption of the freedom of industry or trade (art. 513 of the Italian Criminal Code), fraud in trade (art. 515 of the Italian Criminal Code), sale of non-genuine food items as genuine (art. 516 of the Italian Criminal Code), sale of industrial products with misleading marks (art. 517 of the Italian Criminal Code), manufacture and trade of goods with intellectual property rights of third parties (art. 517-ter of the Italian Criminal Code), counterfeiting of geographic indications or denominations of origin of agricultural and food products (art. 517-quater of the Italian Criminal Code), unlawful competition with threats or violence (art. 513-bis of the Italian Criminal Code), fraud against national industries (art. 514).
- ✓ **Corporate offences (art. 25-ter)** - whose predicate offences are: false information on companies (art. 2621, Italian Civil Code), minor offences (art. 2621, Italian Civil Code), false information on companies to the detriment of shareholders or creditors (art. 2622, Italian Civil Code), obstruction of control (art. 2625, Italian Civil Code), undue return of contributions (art. 2626, Italian Civil Code), unlawful distribution of profits and reserves (article 2627, Italian Civil Code), unlawful transactions involving the company's own shares or shares of the parent company (article 2628, Italian Civil Code), transactions to the detriment of creditors (art. 2629, Italian Civil Code), failure to disclose a conflict of interest (art. 2629 bis, Italian Civil Code), fictitious formation of share capital (art. 2632, Italian Civil Code), unlawful distribution of corporate assets by liquidators (art. 2633, Italian Civil Code), bribery among private individuals (art. 2635, Italian Civil Code), unlawful influence on the Shareholders' Meeting (art. 2636, Italian Civil Code), market rigging (art. 2637, Italian Civil Code), obstructing the exercise of the functions of public supervisory authorities (art. 2638, Italian Civil Code).
- ✓ **Offences for purposes of terrorism or subversion of the democratic order (art. 25-quater)** - whose predicate offences are those provided for by the Italian Criminal Code and special laws and offences committed in violation of the provisions of art. 2 of the International Convention for the Suppression of the Financing of Terrorism (New York, 9/12/1999).
- ✓ **Female genital mutilation (art. 25-quater.1)** - whose predicate offence is: female genital mutilation (art. 583 bis of the Italian Criminal Code).
- ✓ **Offences against the individual (art. 25-quinquies)** - whose predicate offences are: enslaving or keeping persons enslaved (art. 600 of the Italian Criminal Code), child prostitution (art. 600-Bis of the Italian Criminal Code), child pornography (art. 600-Ter of the Italian Criminal Code), possession of child pornographic

material (art. 600-quarter of the Italian Criminal Code), tourism initiatives aimed at exploiting child prostitution (art. 600-quinquies of the Italian Criminal Code), trafficking and trading in slaves (art. 601 of the Italian Criminal Code), purchasing and selling slaves (art. 602 of the Italian Criminal Code), illegal brokering and exploitation of labour (art. 603 of the Italian Criminal Code).

- ✓ **Market abuse (art. 25-sexies)** - whose predicate offences are: insider trading (Article 184 T.U.F.), market manipulation (Article 185 T.U.F.).
- ✓ **Manslaughter or grievous or very grievous bodily harm, committed in breach of the rules on the protection of occupation health and safety (art. 25-septies)** - whose predicate offences are: Manslaughter (art. 589 of the Italian Criminal Code) and grievous or very grievous bodily harm (art. 590 of the Italian Criminal Code), committed in breach of the rules on accident prevention and protection of occupational hygiene and health (Law No. 123/2007).
- ✓ **Offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, self-laundering (art. 25-octies)** - whose predicate offences are: receiving stolen goods (art. 648 of the Italian Criminal Code), money laundering (art. 648-bis of the Italian Criminal Code), use of money, goods or benefits of unlawful origin (art. 648-ter of the Italian Criminal Code), self-laundering (article 648-ter.1)
- ✓ **Offences related to non-cash payment instruments (art. 25-octies.1)** - whose predicate offences are: misuse and forgery of credit and payment cards (art. 493-ter of the Italian Criminal Code), possession and distribution of equipment, devices, computer programmes aimed at committing offences involving non-cash payment instruments (art. 493-quater of the Italian Criminal Code), computer fraud (art. 640-ter of the Italian Criminal Code).
- ✓ **Copyright infringement offences (art. 25-novies)** - whose predicate offences are: making available to the public, in a system of telematic networks, through connections of any kind, protected original work, or part thereof (art.171, l. 633/1941 paragraph 1 letter a) bis), offences referred to in the preceding paragraph committed on other people's works not intended for publication where their honour or reputation is affected (art. 171, l. 633/1941 paragraph 3), unauthorised duplication, for profit, of computer programs, import, distribution, sale or possession for commercial or entrepreneurial purposes or rental of programs contained in media not marked by SIAE; preparation of means for removing or circumventing the protection devices of computer programs (art. 171-bis l. 633/1941 paragraph 1), reproduction, transfer to other media, distribution, communication, presentation or demonstration in public of the contents of a database; extraction or re-use of the database; distribution, sale or lease of databases (art. 171-bis l. 633/1941 comma 2), unauthorised duplication, reproduction, transmission or broadcasting in public by any process, in whole or in part, of original work intended for television and cinema; sale or rental of records, tapes or similar media or any other media containing phonograms or videograms of musical, cinematographic or similar audio-visual works or sequences of moving images; literary, dramatic, scientific or educational, musical or dramatic-musical, multimedia works, even if included in collective or composite works or databases; unauthorized reproduction,

duplication, transmission or broadcasting, sale or trade, transfer for any reason or unauthorised import of more than fifty copies or specimens of works protected by copyright and related rights; introduction into a system of telematic networks, by means of connections of any kind, of original work protected by copyright, or part of it (art. 171-ter l. 633/1941), failure to notify SIAE of the identification data of media not subject to the relevant mark or false declaration (art.171-septies l. 633/1941), fraudulent production, sale, import, promotion, installation, modification, utilization for public and private use of devices or parts of devices for decoding audio-visual transmissions with conditional access over the air, by satellite, by cable, in both analogue and digital form (art. 171-octies l. 633/1941).

- ✓ **Inducement not to make statements or to make false statements to the judicial authority (art. 25-decies)** - whose predicate offence is: inducement not to make statements or to make false statements to the judicial authority (art. 377-bis of the Italian Criminal Code).
- ✓ **Cross-border crimes (art 10, Law no. 146 of 16 March 2006)** - whose predicate offences are: criminal association (art. 416 of the Italian Criminal Code), mafia-type association (art. 416 of the Italian Criminal Code), association to smuggle foreign processed tobacco (art. 291-quater, Presidential Decree No. 43/1973), association for the purpose of the illegal trafficking of narcotic or psychotropic substances (art. 74, Presidential Decree No. 309/1990), offence concerning the trafficking of migrants (art. 12, Legislative Decree No. 286/1998), inducement to make statements or to make false statements to the judicial authorities (art. 377-bis of the Italian Criminal Code), aiding and abetting (art. 378 of the Italian Criminal Code).
- ✓ **Environmental crimes (art. 7, Legislative Decree No. 121 of 7 July 2011)** – whose predicate offences are: environmental pollution (art. 452-bis of the Italian Criminal Code), environmental disaster (article 452-quater of the Italian Criminal Code), unintentional environmental offences (art. 452-quinquies of the Italian Criminal Code), trafficking and abandonment of highly radioactive material (art. 452-sexies of the Italian Criminal Code), aggravating circumstances (art. 452-octies of the Italian Criminal Code), killing, destroying, catching, taking, keeping specimens of protected wild animal or plant species (art. 727-bis of the Italian Criminal Code), habitat damage (art. 733-bis of the Italian Criminal Code), opening or discharge of industrial waste water (Legislative Decree No. 152/2006, art. 137), unauthorised waste management and illegal waste trafficking (Legislative Decree No. 152/2006, art. 256 and articles 259 and 260), soil, subsoil, surface water or groundwater pollution by exceeding risk threshold concentrations (Legislative Decree No. 152/2006, art. 257), production, consumption, import, export, possession and marketing of substances harmful to the stratospheric ozone layer (Law No. 549/1993, art. 3), discharge of pollutants caused by ships (Legislative Decree No. 202/2007 - implementation of Directive 2005/35/EC on ship-source pollution and consequent penalties).
- ✓ **Employment of illegally staying third-country nationals (art. 25-duodecies)** - whose predicate conduct is stated by art. 22 - 12 bis of Legislative Decree No. 286 of 25 July 1998 - Consolidated text of provisions governing immigration and rules on the status of foreigners.

- ✓ **Racism and xenophobia (art. 25-terdecies)** - article 3, paragraph 3-bis, of Law No. 654 of 13 October 1975 - Ratification and implementation of the International Convention on the Elimination of All Forms of Racial Discrimination opened for signing in New York on 7 March 1966.
- ✓ **Fraud in sporting competitions - Unauthorised exercise - Gaming - Betting - Banned apparatuses (art. 25-quaterdecies)** - introduced by Law No. 39 of 3 May 2019, published in the Official Journal of 16/05/2019, in force since 17/05/2019 - for the offences referred to in articles 1 and 4 of Law No. 401, the regulatory provision provides that the following monetary sanctions are applied to the entity: a) for offences, a monetary sanction of up to five hundred shares; b) for contraventions, a monetary sanction of up to two hundred and sixty shares. In the event of conviction for one of the offences referred to in paragraph 1(a) of this article, the disqualification penalties provided for in article 9, paragraph 2 shall apply for a period of not less than one year.
- ✓ **Tax offences – (art. 25-quinquiesdecies)** - 1. As for the offences under Legislative Decree No. 74 of 10 March 2000, the following financial penalties shall apply to the entity: a) for the offence of fraudulent declaration by use of invoices or other documents for non-existent transactions pursuant to article 2, paragraph 1, a financial penalty of up to five hundred shares; b) for the offence of fraudulent declaration by use of invoices or other documents for non-existent transactions pursuant to article 2, paragraph 2-bis, a financial penalty of up to four hundred shares; c) for the offence of fraudulent declaration by other means pursuant to article 3, a financial penalty of up to five hundred shares; d) for the offence of issuing invoices or other documents for non-existent transactions pursuant to article 8, paragraph 1, a financial penalty of up to five hundred shares; e) for the offence of issuing invoices or other documents for non-existent transactions pursuant to article 8, paragraph 2-bis, a financial penalty of up to four hundred shares; f) for the offence of concealment or destruction of accounting documents pursuant to article 10, a financial penalty of up to four hundred shares; g) for the offence of fraudulent tax evasion pursuant to article 11, a financial penalty of up to four hundred shares.
2. If, following the commission of the offences in paragraph 1, the entity has obtained a significant profit, the financial penalty shall be increased by a third.
3. *In the cases provided for in paragraphs 1 and 2, the disqualification penalties under article 9, paragraph 2, letters c), d) and e) shall apply.*
- ✓ **Smuggling – (art. 25-sexiesdecies)** - 1. As for the offences provided for by Presidential Decree No. 43 of 23 January 1973, a financial penalty of up to two hundred shares shall be imposed on the entity. 2. When border duties due exceed one hundred thousand Euro, a financial penalty of up to four hundred shares shall be imposed on the entity. 3. In the cases provided for in paragraphs 1 and 2, the disqualification penalties under article 9, paragraph 2, letters c), d) and e) shall apply.
- ✓ **Crimes against cultural heritage (art.25-septiedecies)** - 1 As for the offence set forth in article 518-novies of the Italian Criminal Code, a financial penalty of between one hundred and four hundred shares shall be

imposed on the entity.

As for the offence set forth in articles 518-ter, 518-decies ad 518-undecies of the Italian Criminal Code, a financial penalty of between of between two hundred and five hundred shares shall be imposed on the entity.

As for the offence set forth in articles 518-duodecies and 518-quaterdecies of the Italian Criminal Code, a financial penalty of between three hundred and seven hundred shares shall be imposed on the entity.

As for the offence set forth in articles 518-bis, 518-quater and 518-octies of the Italian Penal Code, a financial penalty of between four hundred and nine hundred shares shall be imposed on the entity. In the event of conviction for the offences set forth in paragraphs 1 to 4, the disqualification penalties provided for in Article 9, paragraph 2 shall apply to the entity for a period not exceeding two years.

- ✓ **Laundering of cultural assets and devastation and looting of cultural and landscape assets (art. 25-duodevicies)** - 1 As for the offences set forth in articles 518-sexies and 518-terdecies of the Italian Criminal Code, a financial penalty of between five hundred and one thousand shares shall be imposed on the entity.
2. If the entity or one of its organisational units is permanently used for the sole or prevalent purpose of permitting or facilitating the commission of the offences set forth in paragraph 1, the penalty of definitive disqualification from exercising the activity shall apply pursuant to article 16, paragraph 3.

ANNEX 2

**REPORTING FORM TO THE
SUPERVISORY BOARD of AR-
TEX S.p.A.**

This form can be used by anyone wishing to communicate or report to the Supervisory Board of AR-TEX S.p.A. the commission or attempted commission of violations of the principles of the Code of Ethics, of the General Part and Special Part of the Organisation, Management and Control Model of AR-TEX S.p.A., of the procedures, instructions, forms or the delegation systems of AR-TEX S.p.A., and to communicate the commission or attempted commission of one of the predicate offences provided for by Legislative Decree No. 231 of 8 June 2001,

*as well as in cases of **Whistleblowing** provided for by Law No. 179 of 30 November 2017.*

Details of the perpetrator of the behaviour being reported

Name _____

Surname _____

Organizational Unit _____

Telephone _____ (if known)

Email _____ (if known)

Detailed description of the behaviour being reported stating the fact occurred, the place and the time of occurrence and any other information useful to describe it

Details of the reporting person

Matriculation number _____

Name _____

Organizational Unit _____

Telephone _____

Information provided pursuant to art. 13 of Reg. (EU) 679/2016 – Pursuant to (i) EU Regulation 679/2016 "on the protection of natural persons with regard to the processing of personal data" (the "GDPR") and (ii) Legislative Decree 196/2003, "Data Protection Code", as amended by (iii) Legislative Decree.

101/2018 laying down provisions for the alignment of the national legislation to the GDPR, AR-TEX S.p.A., acting as controller of personal data pursuant to Art. 4 paragraph

1 No. 7 of the GDPR, hereby informs you that your personal data acquired by means of this report will be processed exclusively for purposes related to compliance with the obligations arising from Legislative Decree.

231 of 2001, and may be used, and then stored, in both paper and computerised form. The reporting person remains, in any case, personally liable for any defamatory content of the communications transmitted; the Supervisory Board reserves the right not to take into account reports clearly submitted in "bad faith". Please note that the data provided by you must be relevant to the purposes of the report, so that the Supervisory Board of AR-TEX S.p.A. shall be free not to take into account reports concerning conduct or persons unrelated to the obligations arising from Leg. Decree No. 231 of 2001. Except for the fulfilment of obligations provided for by law, the personal data provided by you will not be communicated or disclosed in any way. The data controller also informs you that, as a data subject, you may at any time exercise the rights provided for by articles 15-22 of Reg. EU 679/2016, and in particular the right to access your personal data, to request their rectification, updating or deletion, if incomplete, erroneous or collected in violation of the law, their limitation or portability, as well as to oppose their processing for legitimate reasons, by addressing your requests directly to AR-TEX S.p.A., by e-mail [-] or by ordinary mail in a sealed envelope to the address Bia [-] n. [-].

By signing this document, I authorise the processing of my data in accordance with Reg. UE 679/2016.

Date _____

Signature _____