

*Italian Legislative Decree No. 231/2001*  
*SNAITECH S.p.A. Organisation, Management and Control Model*

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**Organisation, Management and  
Control Model of SNAITECH S.p.A.  
pursuant to Article 6, paragraph 3 of  
Italian Legislative Decree no.  
231/2001**

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## DEFINITIONS

<b>"Sensitive activities"</b>	Activities of the Company in the context of which there is a risk, even potentially, of committing one of the offences referred to in Italian Legislative Decree no. 231/2001.
<b>"CCNL":</b>	The National Collective Labour Agreement currently in force and applied at SNAITECH S.p.A.
<b>"Code of Ethics of the Snaitech Group":</b>	The code of conduct contains the fundamental principles of the Snaitech Group by which the Company is inspired and the conduct to which all employees, at all levels, and directors must adhere in the daily performance of the various activities.
<b>"Company Controls":</b>	The system of powers of attorney, proxies, procedures and internal controls whose purpose is to ensure adequate transparency and transparency of decision-making processes, as well as the conduct that must be maintained by Senior Management and Subordinates who operate at corporate level pursuant to Article 5 of Italian Legislative Decree no. 231/2001.
<b>"Recipients":</b>	Corporate Bodies, the Independent Auditor Firm, Personnel – Senior Managers and Subordinates – and Third Parties (i.e., by way of example and not limited to: the Sales Network, consultants and suppliers of goods and services, including professionals, and anyone who carries out activities in the name and for account of the Company or under its control).
<b>"Italian Legislative Decree no. 231/01" or "Decree":</b>	Italian Legislative Decree 231 of 8 June 2001 as amended.

**"Public service officer":**

A person who, for whatever reason, performs a public service, understood as an activity governed by the public function principles, but not vested with typical public function powers and excluding the performance of simple tasks regarding the performance of merely material work, within the meaning of Article 358 of the Italian Criminal Code.

**"Confindustria Guidelines":**

The guidelines (approved by Confindustria, the Association of Italian Industries) on 7 March 2002 and subsequently on 31 March 2008 and 31 March 2014 for the construction of the Organization, Management and Control Models pursuant to Italian Legislative Decree no. 231/2001.

**"Model":**

The Organisation, Management and Control Model compliant with Italian Legislative Decree no. 231/2001, i.e. this document, including the Special Sections (A, B, C, D, E, F, G, H, I, L, M, N, O, P, Q, R and S) and all other related documents.

**"Corporate Bodies":**

The Board of Directors, the delegated bodies, the Board of Statutory Auditors, as well as any person who exercises, also in a de facto manner, powers of representation, decision-making and/or control within the Company.

**"Supervisory Board" or "SB":**

The Body appointed pursuant to Article 6 of Italian Legislative Decree no. 231/2001 and entrusted with the task of supervising the effectiveness and adequacy of the Model, the maintenance over time of the requirements of soundness and functionality and the dynamic updating thereof.

**"P.A.":**

The Public Administration and, with reference to offences against the public administration, public officials and persons in charge of a public service.

**"Public Official":**

Anyone who "*exercises a legislative, judicial or administrative public function*" (pursuant to Article 357 of the Italian Criminal Code).

**"Predicate offences":**

Specific crimes identified by the Decree which may give rise to the administrative liability of the organisation as well as, insofar as they are comparable, the specific administrative offences in relation that envisage the application of the rules contained in the Decree itself.

**"Company" or "SNAITECH":**

SNAITECH S.p.A. is a joint-stock company and a State Licensee engaged in revenue collection activity and the management of public gaming/gambling related to horse racing and sports under the established licensing system governed by the Customs and Monopoly Agency (formerly the Autonomous Administration of State Monopolies and, subsequently, "ADM"). The company is also a licensee for the management of online legal gaming by means of amusement and entertainment devices pursuant to TULPS legislation – the Consolidated Law on Public Safety; namely Article 110, paragraph 6, point (a) (hereinafter "AWPs") and Article 110, paragraph 6, point (b) (hereinafter "VLTs"), as well as related activities and functions, by virtue of a regular licence under C.I.G. registration 4607780C55 granted by the ADM. Finally, SNAITECH carries out the activity of remote public gaming under licence number 15215 (hereinafter the "Licence for the remote operation of public gaming") according to the procedures governed by prevailing legislation.

**"Disciplinary System":**

The disciplinary system and the related system of penalties to be applied in case of violation of the Model.

**"Senior Management Figures":**

Pursuant to Article 5 of Italian Legislative Decree no. 231/01, persons who are representatives, administrators or managers of the entity or one of its organisational units with financial and functional autonomy, as well as persons who exercise, also in a de facto manner, management and control of the

same.

**"Subordinate Persons":**

Pursuant to Article 5 of Italian Legislative Decree no. 231/01, persons subject to the management or supervision of Senior Management Figures.

**"Third**

**Parties":**All those natural or legal persons who establish a collaboration/consultancy relationship with the Company (by way of example but not limited to: the Sales Network, consultants and suppliers of goods and services, including professional ones, and anyone who carries out activities in the name and on behalf of the Company or under its control).

***Whistleblowing:***

This refers to the reporting, by an employee or collaborator, of conduct of criminal relevance or management irregularities by reason of the functions performed. Pursuant to Italian Law 179/2017, *whistleblowing* legislation applies to private sector entities such as companies, groups of companies, non-governmental organisations, non-profit organisations, foundations and associations that have adopted an Organisation, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001.

## Structure of the document

This document is composed of a General Part, an Introduction to the Special Sections and 17 Special Sections.

The General Section illustrates the Model's functions and principles and its essential components are identified and regulated, such as the Supervisory Board, the drafting and dissemination of the Model, the Disciplinary System and the comprehensive assessment and management of the risks of offences.

The Introduction to the Special Sections indicates the general prevention protocols applicable to all operations concerning sensitive activities.

The following Special Sections also form an integral and substantial part of this Document, as well as the other documents referred to therein and/or listed below:

- ***Special Section A:***
  - ✓ Subsection 1: description of the Offences committed in relations with the Public Administration (Articles 24 and 25 of Italian Legislative Decree no. 231/01);
  - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of the potential sensitive activities relating to the Offences committed in relations with the Public Administration, of the specific prevention protocols, of the information flows to the SB and of disciplinary measures.
- ***Special Section B:***
  - ✓ Subsection 1: description of Corporate Offences (Article 25-ter of Italian Legislative Decree no. 231/01);
  - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Corporate Offences, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- ***Special Section C:***
  - ✓ Subsection 1: description of Market Abuse Offences (Article 25-sexies of Italian Legislative Decree no. 231/01);
  - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Market Abuse Offences, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- ***Special Section D:***
  - ✓ Subsection 1: description of Offences related to Occupational Health and Safety (Article 25-septies of Italian Legislative Decree no. 231/01);

- ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Occupational Health and Safety Offences, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
  
- **Special Section E:**
  - ✓ Subsection 1: description of the Crimes of Receiving, Laundering and Use of money, goods or benefits of illicit origin, as well as Self-laundering (article 25-*octies* of Italian Legislative Decree no. 231/01);
  - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of the potential sensitive activities relating to the Crimes of Receiving, Laundering and Use of money, goods or utilities of illicit origin, as well as Self-laundering, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
  
- **Special Section F:**
  - ✓ Subsection 1: description of Computer Crimes and unlawful processing of data (Article 24-*bis* of Italian Legislative Decree no. 231/01);
  - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Computer Crimes and unlawful processing of data, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
  
- **Special Section G:**
  - ✓ Subsection 1: description of Organised Crime Offences (Article 24-*ter* of Italian Legislative Decree no. 231/01) and of Transnational Offences (Law no. 146/2006);
  - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Organised Crime and Transnational Offences, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
  
- **Special Section H:**
  - ✓ Subsection 1: description of Crimes against Industry and Commerce (Article 25-*bis* of Legislative Decree no. 231/01);
  - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Crimes against Industry and Commerce, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
  
- **Special Section I:**
  - ✓ Subsection 1: description of copyright infringement offences (Article 25-*novies* of Italian Legislative Decree no. 231/01);

- ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Copyright Infringement Offences, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- **Special Section L:**
    - ✓ Subsection 1: description of the Offences relating to Forgery of money, legal tender and revenue stamps (Article 25 *bis* of Italian Legislative Decree No. 231/01);
    - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Offences involving Forgery of money, legal tender, revenue stamps and identification instruments or distinctive signs, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- **Special Section M:**
    - ✓ Subsection 1: description of the Crime of Inducement not to make declarations or to make false declarations to the judicial authorities (Article 25-*decies* of Italian Legislative Decree no. 231/01);
    - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Crimes of Inducement not to make statements or to make false statements to the judicial authorities, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- **Special Section N:**
    - ✓ Subsection 1: description of Environmental Offences (Article 25-*undecies* of Italian Legislative Decree no. 231/01);
    - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Environmental Offences, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- **Special Section O:**
    - ✓ Subsection 1: description of the Offence of Employment of third-country nationals whose stay is illegal (Article 25-*duodecies* of Italian Legislative Decree no. 231/2001);
    - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to the Offence of Employment of third-country nationals whose stay is illegal, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- **Special Section P:**
    - ✓ Subsection 1: description of the Crimes of Terrorism or Subversion of the Democratic Order envisaged by the criminal code and special laws (Article 25-*quater* of Italian Legislative Decree 231/2001);

- ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Crimes of Terrorism or Subversion of the Democratic Order envisaged by the criminal code and special laws, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- ***Special Section Q:***
    - ✓ Subsection 1: description of the crimes of fraud in sports competitions and abusive exercise of gaming or betting activities, envisaged by Articles 1 and 4 of Italian Law no. 401 of 13 December 1989 (Article 25-*quaterdecies* of Italian Legislative Decree no. 231/2001);
    - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to crimes of fraud in sports competitions and abusive exercise of gaming or betting activities pursuant to Italian Legislative Decree no. 401/1989, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- ***Special Section R:***
    - ✓ Subsection 1: description of the tax offences envisaged by Italian Legislative Decree no. 74 of 10 March 2000 (Article 25-*quinquiesdecies* of Italian Legislative Decree no. 231/2001);
    - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Tax Offences pursuant to Italian Legislative Decree no. 74/2000, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.
- ***Special Section S:***
    - ✓ Subsection 1: description of the smuggling offences envisaged by Italian Presidential Decree no. 43 of 23 January 1973 (Article 25-*sexiesdecies* of Italian Legislative Decree no. 231/2001);
    - ✓ Subsection 2: identification of the Company Areas and Departments at potential risk of crime, of potential sensitive activities relating to Smuggling Offences pursuant to Italian Presidential Decree no. 43/1973, of specific prevention protocols, of information flows to the SB and disciplinary sanctions.

Without prejudice to the provisions of Special Sections A to S of this Document, SNAITECH S.p.A. has defined a specific system of proxies and powers of attorney, procedures, protocols and internal controls aimed at guaranteeing adequate transparency and knowledge of the decision-making and financial processes, as well as the conduct that must be adopted by all Recipients of the Model operating at corporate level.

It should also be noted that the Disciplinary System and the relevant penalties to be applied in the event of Model violations form an integral and substantive part of this Model.

By resolution of the Board of Directors, the Company has also adopted b the Snaitech Group Code of Ethics, which is a different instrument in nature, function and content with respect to this Model.

This Group Code of Ethics contains the fundamental principles to which SNAITECH S.p.A. adheres and the conduct to which all employees, at all levels, and directors must adhere in the daily performance of their various activities.

## **1. Italian Legislative Decree no. 231 of 8 June 2001**

### **1.1. Characteristics and nature of the liability of entities**

Italian Legislative Decree 231 of 8 June 2001, in transposing international legislation on the fight against corruption, introduces and regulates administrative liability arising from offences committed by collective entities.

The nature of this form of entity liability is "mixed" and its peculiarity lies in the fact that it combines aspects of the of criminal penalty and administrative disciplinary systems. Under the Decree, the entity is punished with an administrative sanction, as it is liable for an administrative offence, but the penalty system is based on the criminal trial: the competent authority to challenge the offence is the Public Prosecutor, and it is the criminal judge who imposes the sanction.

The administrative liability of the entity is distinct and autonomous from that of the natural person who commits the offence, and exists even when the perpetrator of the offence has not been identified, or when the offence has been extinguished for a reason other than amnesty. In any case, the liability of the entity always adds to, and never replaces, that of the natural person who committed the offence.

The company can avoid this liability only if it adopts in advance and effectively implements organisational and management models that help prevent unlawful conduct and can therefore mitigate the risk of involvement at corporate level.

The company may derive benefit also if it adopts and effectively implements the Model after an offence has been charged. In particular, if the charge precedes the opening of the first court hearing, the company may obtain: i) the reduction of the monetary penalty; ii) the non-application of disqualification sanctions or their conversion into monetary penalties. If it occurs later, the company may only obtain the conversion of disqualification sanctions into monetary penalties.

In the event of failure to adopt and implement the Model, the company shall incur administrative liability arising from an offence, subject to the conditions set out in Article 5 of Italian Legislative Decree no. 231/2001. An exception applies should a person in a senior position commit an offence acting solely in his/her own interest or that of third parties: in this case, the company is not liable.

The scope of application of the Decree is very broad and covers all entities with legal personality, companies, associations, including those without legal personality, public economic entities, and private entities providing a public service. However, the legislation does not apply to State, public territorial entities, non-economic public entities, and entities performing functions of constitutional importance (such as, for example, political parties and trade unions).

### **1.2. Crimes identified by the Decree and subsequent amendments**

The entity can be held liable only for administrative offences depending on the offences – the so-called predicate offences – indicated by the Decree or in any case by a law that entered into force before the commission of the offence.

At the date of approval of this document, the predicate offences belong to the following categories:

- i) Offences committed in relations with Public Administration bodies (Articles 24 and 25);
- ii) Computer crimes and unlawful data processing (Article 24-*bis*);
- iii) Organised crime (Article 24-*ter*);
- iv) Offences relating to forgery of money, legal tender, revenue stamps and identification instruments or distinctive signs (Article 25-*bis*);
- v) Crimes against industry and commerce (Article 25-*bis*.1);
- vi) Corporate Crimes (Article 25-*ter*) including crimes of corruption between private individuals;
- vii) Crimes of terrorism or subversion of the democratic order (Article 25-*quater*);
- viii) Female genital mutilation practices (Article 25-*quater*.1);
- ix) Crimes against the Individual personality (Article 25-*quinquies*);
- x) Market abuse crimes (Article 25-*sexies*) and related administrative offences;
- xi) Crimes of manslaughter and serious or very serious personal injury, committed in violation of accident prevention regulations and the protection of hygiene and health in the workplace (Article 25-*septies*);
- xii) Receiving, Laundering and Use of money, goods or benefits of illicit origin, as well as Self-laundering (Article 25-*octies*);
- xiii) Copyright infringement offences (Article 25-*novies*);
- xiv) Induction to make no statements or make false statements to the judicial authorities (Article 25-*decies*).
- xv) Environmental Crimes (Article 25-*undecies*);
- xvi) Employment of third-country nationals whose stay is illegal (Article 25-*duodecies*).
- xvii) Crimes of racism and xenophobia (Article 25-*terdecies*);
- xviii) Fraud in sports competitions, abuse of gambling or betting and gambling exercised by means of prohibited devices (Article 25-*quaterdecies*);
- xix) Tax offences (25-*quinquiesdecies*);
- xx) Smuggling offences (Article 25-*sexiesdecies*);
- xxi) Liability of entities for administrative offences resulting from a crime (Article 12. Law no. 9/2013);
- xxii) Transnational crimes, introduced by Italian Law no. 146, of 2006, Article 10.

The applicability and significance of each offence for the Company are examined in detail in paragraph 2.12 of this General Section.

### 1.3. Criteria for attributing liability to the Entity

If one of the alleged offences (illustrated in paragraph 1.2) is committed, the Entity is liable only if certain conditions are met, which are defined as criteria for attributing the offence to the Entity and which are classified as "*objective*" or "*subjective*".

The **first objective condition** is that the alleged offence must have been committed by a person linked to the Entity by a qualified relationship. Article 5 of the Decree, in fact, indicates as perpetrators of an offence:

- *subjects who hold representative, administrative or management functions of the Entity or one of its organisational units with financial and functional autonomy or subjects who exercise de facto management and control of the Entity* (Senior Managers), such as, for example, the legal representative, the director, the director of an autonomous organisational unit, as well as persons who manage the entity itself, even if only in a de facto manner. These are persons who actually have autonomous power to take decisions in the name and on behalf of the entity. This category also includes all persons delegated by the directors to manage or direct the entity or its branches;
- *persons subject to the management or supervision of Senior Management Figures* (Subordinates). This category includes employees and collaborators and those individuals who, although not part of the staff, have a task to perform under the direction and control of senior management. In addition to collaborators, external stakeholders also include consultants who carry out activities on behalf of the entity. Finally, mandates or contractual relationships with non-staff members of the entity are also relevant, provided that these persons act in the name, on behalf or in the interest of the entity.

The **second objective condition** is that the unlawful conduct was carried out by the aforementioned subjects "*in the interest or to the advantage of the company*" (Article 5, paragraph 1 of the Decree):

- Such "*interest*" exists when the perpetrator of the offence has acted with the intention of favouring the entity, regardless of whether that objective was actually achieved;
- the "*advantage*" exists when the Entity has derived, or could have derived, a favourable result from the offence, not necessarily of an economic nature.

By express intent of the legislation, the Entity shall not be liable in the event that the Senior Management or Subordinates have acted "*in their own exclusive interest or in the interest of third parties*" (Article 5, paragraph 2 of the Decree).

With regard to the **subjective criteria** for attributing the offence to the Entity, they establish the conditions under which the offence is "attributable" to the Entity: in order for the offence not to be attributed to it from a subjective perspective, the Entity must demonstrate that it has done everything in its power to organise itself, manage itself and control that one of the alleged offences listed in the Decree cannot be committed in the exercise of its business activity. For this reason,

the Decree foresees that the Entity's liability may be excluded if, prior to the commission of the act:

- organisational and managerial models suitable for the prevention of the commission of criminal offences envisaged by the aforementioned Decree have been drawn up;
- a body with control functions (Supervisory Board) is established, with powers of autonomous initiative, tasked with supervising the operation of the Organisation and Management Models;
- that there was no omitted or insufficient supervision by the aforementioned body.

The conditions listed above need to all be met in order for the liability of the entity to be excluded.

If offences are committed by the Senior Management Figures, the legislation establishes a presumption of guilt on the part of the Entity in view of the fact that the Senior Management Figures express, represent and implement the management policy of the Entity. The Entity's liability is excluded only if the Entity can prove that the offence was committed by fraudulently circumventing the existing Organisation, Management and Control Model (hereinafter the 'Model') and that there was insufficient control by the Supervisory Board (hereinafter also the "SB"), which is specifically charged with overseeing the proper operation of and compliance with the Model (Article 6 of the Decree)<sup>1</sup>. In such cases, therefore, the Decree requires proof of extraneousness to the facts, since the Entity must prove malicious deception of the Model by the Senior Management.

In the case of an offence committed by a Subordinate, on the other hand, the Entity will be liable only if the offence was committed as a result of failure to comply with management and supervisory obligations: in this case, the exclusion of the Entity's liability is conditional, in substance, on the adoption of behavioural protocols appropriate, for the type of organisation and business conducted, to ensure that the latter is carried out in compliance with the law and that risk situations are rapidly discovered and eliminated (Article 7, paragraph 1 of the Decree)<sup>2</sup>. Such a case effectively constitutes "*organisational negligence*", since the Entity would have indirectly consented to the commission of the offence by failing to adequately supervise the activities and persons at risk of committing an alleged offence.

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<sup>1</sup> Pursuant to Article 6, paragraph 1, of Italian Legislative Decree no. 231/01, "*If the offence has been committed by the persons indicated in Article 5, paragraph 1, point (a) [Senior Management Figures], the organisation is not liable if it can prove that: a) the governing body had adopted and effectively implemented, prior to the commission of the offence, organisational and management models capable of preventing offences of the kind committed; b) the task of supervising the operation of and compliance with the models and ensuring that they are kept up to date was entrusted to a body within the entity with autonomous powers of initiative and control; c) the persons committed the offence by fraudulently circumventing the organisational and management models; d) there was no omitted or insufficient supervision by the body referred to in point (b)*".

<sup>2</sup> Pursuant to Article 7, paragraph 1, of Italian Legislative Decree 231/01, "*In the case provided for in Article 5, paragraph 1, point (b) [Subordinate Persons], the entity is liable if the commission of the offence was made possible by failure to comply with management and supervisory obligations*".

#### **1.4. Indications of the Decree regarding the characteristics of the organisation, management and control model**

The Decree regulates certain general principles concerning the organisation, management and control model, without, however, providing specific characteristics. The model operates in support of non-punishability only if it is:

- effective, i.e. if it is reasonably suitable to prevent the offence(s) committed;
- effectively implemented, i.e. if its content is applied within company procedures and in the internal control system.

As regards the effectiveness of the model, the Decree provides that it must have the following minimum content:

- a listing of the entity's activities within the scope of which offences may be committed are identified;
- specific protocols that cater for the planning the training and implementation of the entity's decisions, in relation to the offences to be prevented;
- methods of managing financial resources suitable for preventing offences from being committed;
- a disciplinary system to sanction non-compliance with the measures indicated in the model;
- obligations to provide information to the Supervisory Board;
- in relation to the nature and size of the organisation, as well as the type of activity carried out, appropriate measures must be implemented to ensure that the activity is carried out in compliance with the law and to promptly identify and eliminate risk situations.

The Decree establishes that the model shall be subject to periodic verification and updating, both in the event of significant violations of the provisions and if significant changes occur in the organisation or in the activity of the entity or if the reference legislation changes, in particular when new predicate offences are introduced.

#### **1.5. Offences committed abroad**

Article 4 of the Decree<sup>3</sup> establishes that an entity may be called upon to respond in Italy for predicate offences committed abroad.

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<sup>3</sup>Article 4 of Italian Legislative Decree no. 231/2001, "*Crimes committed abroad*", which states that "*In the cases and under the conditions laid down in Articles 7, 8, 9 and 10 of the Criminal Code, entities having their head office in the territory of the State shall also be liable for offences committed abroad, provided that the State where the offence was committed does not take action against them. In cases where the law provides that the guilty be*

The Decree, however, makes this possibility subject to the following conditions, which are clearly additional to those already highlighted:

- applicability of the general conditions for prosecution prescribed in Articles 74, 85, 96 and 107 of the Italian Criminal Code that enable prosecution in Italy for an offence committed abroad;
- the entity must have its registered office in the territory of the Italian state;
- the offence must be committed abroad by an individual functionally connected to the Company;
- the State of the place where the offence was committed does not prosecute the entity.

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*punished at the request of the Minister of Justice, proceedings are brought against the company/body only if the request is also raised against this entity."*

<sup>4</sup>Article 7 of the Italian Criminal Code, "Offences committed abroad", states: "*An Italian citizen [Criminal Code, Article 4] or a foreign citizen who commits any of the following offences on foreign soil shall be punished under Italian law: 1. offences against the personality of the Italian State; 2. offences of counterfeiting the State seal and of using that seal for counterfeiting; 3. crimes related to forgery of money, legal tender in the State or Italian revenue stamps; 4. Crimes committed by 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*".

<sup>5</sup>Article 8 of the Italian Criminal Code, "Political offence committed abroad", states: "*A citizen or foreigner who commits a political offence on foreign soil that is not included among those indicated in point 1 of the previous Article shall be punished according to Italian law, at the request of the Minister of Justice. If the offence is punishable on complaint by the offended person, a request further to the complaint is also required. 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 the citizen. A common offence determined, in whole or in part, by political motives shall also be considered a political offence*".

<sup>6</sup>Article 9 of the Italian Criminal Code, "Common crime of the citizen abroad", states: "*A citizen who, outside the cases indicated in the two previous articles, commits in a foreign country a crime for which Italian law establishes the death penalty or life imprisonment, or imprisonment for a minimum of three years, shall be punished in accordance with that law, provided that said citizen is in the territory of the State. In the case of a crime for which a restrictive punishment is imposed on personal freedom of minor duration, the offender shall be punished at the request of the Minister of Justice or at the request of the offended person. In cases envisaged by the foregoing provisions, in the case of a crime committed against the European Communities or foreigners, the perpetrator is punished at the request of the Minister of Justice, provided that the related extradition has not been granted or has not been accepted by the Government of the State in which the crime was committed*".

<sup>7</sup>Article 10 of the Italian Criminal Code, "Common crime committed by a foreigner abroad" states: "*A foreigner who, apart from the cases indicated in Articles 7 and 8, commits on foreign soil, to the detriment of the State or of a citizen, a crime for which Italian law establishes the death penalty or life imprisonment, or imprisonment for a minimum of not less than one year, shall be punished in accordance with the same law, provided the offender is on State territory, and there is a request from the Minister of Justice, or a petition or complaint from the offended person. If the offence is committed to the detriment of the European Communities, foreigners or foreigners, the perpetrator shall be punished according to Italian law at the request of the Minister of Justice, provided that: 1. he is in the territory of the State; 2. it is a crime for which the punishment of the life imprisonment is imposed, that is, of imprisonment not less than the minimum of three years; 3. the extradition of him has not been granted or has not been accepted by the Government of the State in which he committed the offence, or by the State to which the offender belongs*".

## 1.6. Sanctions

The sanctions imposed by Italian Legislative Decree no. 231/01 for administrative offences deriving from a crime are the following:

- *administrative fines;*
- *disqualifications;*
- *seizure;*
- *publication of the judgment.*

A *monetary administrative fine* is always applied if the judge holds the company liable. It is governed by Articles 10 et seq. of the Decree and constitutes the "*basic*" sanction which must be applied, and for the payment of which the Entity is liable with its assets or its contingency reserve.

The legislature has adopted an innovative criterion for the determination of the penalty, attributing to the judge the obligation to proceed to two different and successive appraisals. This entails a greater adjustment of the penalty to the gravity of the fact and the financial situation of the Entity.

The first appraisal requires the court to determine the liability quota (in any event not less than one hundred and not more than one thousand) taking into account:

- the seriousness of the offence;
- the degree of Entity responsibility;
- the activity carried out by the Entity to eliminate or mitigate the consequences of the offence and prevent the commission of further offences;

During the second appraisal, the Judge determines, within the minimum and maximum values predetermined in relation to the offences sanctioned, the value of each liability quota, from a minimum of €258.00 to a maximum of €1,549.00. This amount is set "*on the basis of the financial situation and assets of the entity in order to ensure the effectiveness of the penalty*" (Articles 10 and 11, paragraph 2, Italian Legislative Decree no. 231/01).

Article 12 of Italian Legislative Decree no. 231/01<sup>8</sup> envisages a series of cases in which the monetary fine may be reduced.

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<sup>8</sup>Article 12 of Italian Legislative Decree no. 231/2001, "*Cases of reduction of the monetary penalty*", states: "*1. The monetary penalty is reduced by half and cannot, in any case, exceed €103,291.00 if: a) the offender committed the offence mainly in their own interest or in the interest of third parties and the entity did not gain an advantage or gained a minimum advantage; b) the financial damage caused is particularly small; 2. The sanction is reduced by between a third and a half if, before the declaration of the opening of the first-degree hearing: a) the entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of the offence or has in any case effectively done so; b) an organisational model suitable for preventing offences of the type committed*

The Decree prescribes the following *disqualification penalties* and applies them, in addition to the monetary fines, only in relation to the crimes for which they are expressly foreseen in this legislation:

- disqualification from conducting a business;
- suspension or revocation of permits, licences or concessions related to the offence;
- disqualification from signing contracts with Public Administration bodies, save for the obtaining of a public service;
- exclusion from facilitations, financing, contributions and subsidies, and/or revocation of those previously granted;
- disqualification from the advertising of goods or services.

In order for them to be imposed, it is also necessary that at least one of the conditions referred to in Article 13, Legislative Decree no. 231/01 shall apply, namely:

- *"the entity has gained a considerable profit from the offence and the offence was committed by persons in senior positions or by persons subject to the management of others when, in this case, the offence committed was determined or facilitated by severe organisational shortcomings"*; or
- *"in the event of repeated offences"*<sup>9</sup>.

In any case, disqualification sanctions are not applied when the offence has been committed in the prevailing interest of the perpetrator or of third parties and the Entity has obtained a minimal or no advantage from it or the financial damage caused is particularly minor.

Exceptionally applicable with definitive effects, disqualification sanctions are temporary, with a duration ranging from three months to two years, and concern the specific activity of the entity to which the offence refers. They may also be applied as a precautionary measure, prior to the conviction, at the request of the Public Prosecutor, if there are serious indications of the liability of the entity and well-founded and specific elements which point to a concrete danger of further commission of offences of the same kind as the one being prosecuted;

The application of disqualification sanctions is also excluded by the fact that the Entity has put in place the remedial actions prescribed by Article 17 of Italian Legislative Decree no. 231/01 and, more precisely, when the following conditions are met:

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*has been adopted and made operational. 3. If both the conditions provided for in the letters of the previous paragraph are met, the sanction is reduced by half to two thirds. 4. In any case, the monetary penalty cannot be less than €10,329.00".*

<sup>9</sup>Pursuant to Article 20 of Italian Legislative Decree no. 231/01, *"a recurrence occurs when an entity, already definitively convicted at least once of an offence, commits another offence within five years of the final conviction"*.

- *"the entity has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offence, or has in any case made effective efforts to do so"*;
- *"the entity has eliminated the organisational shortcomings that led to the offence by adopting and implementing suitable organisation models to prevent offences of the type that occurred"*;
- *"the entity has made available the profit obtained for the purposes of confiscation"*.

The legislature then took care to specify that the activity disqualification is of a residual nature in relation to the other interdictory sanctions.

With reference to disqualification sanctions, express mention should be made of the amendments made to Italian Law no. 3 of 9 January 2019, which introduces a regime of exceptionality with regard to certain offences against the Public Administration: as currently provided for in Article 25, par. 5 of Italian Legislative Decree 231/2001, in the event of conviction for one of the offences indicated in paragraphs 2 and 3 of Article 25, the disqualification penalties referred to in Article 9 par. 2 are applied, for a period of not less than four years and not more than seven years, if the offence was committed by the persons indicated in Article 5 par. 1 point (a) – i.e. by those who hold positions of representation, administration or management of the entity or its organisational unit with financial and functional autonomy – and for a period of not less than two years and not more than four years, if the offence was committed by the persons indicated in Article 5 par. 1 point (b) – i.e. by those who hold subordinate positions, i.e. managed or supervised by persons indicated in point (b).

However, the 2019 amendment also introduced paragraph 5-*bis*, which lays down that disqualification sanctions are imposed for the common duration specified in Article 13 par. 2 (not less than three months and not more than two years) if, prior to the first instance judgment, the entity has taken effective action:

- a) to avoid that the criminal activity may lead to further consequences;
- b) to ensure manifest proof of offences having been committed;
- c) to identify the persons responsible;
- d) to ensure the seizure of sums or other exchanged benefits;

*that is,*

- e) it will have eliminated the organisational deficiencies that made it possible to verify the crime by adopting organisational models capable of preventing crimes of the type that occurred.

Pursuant to Article 19 of Italian Legislative Decree no. 231/01, conviction always entails the **seizure** – also for equivalent amounts – of the price (money or other economic benefit given or promised to induce or force another person to commit the offence) or profit (immediate economic benefit obtained) of the offence, except for the part that can be returned to the damaged party and without prejudice to the rights acquired by third parties in good faith.

When a disqualification sanction is applied, the Judge may order the *publication of the sentence* in one or more newspapers, in excerpt form or in full, together with public posting in the municipality where the Entity has its head office. Publication is carried out by the Clerk of the competent court at the expense of the Institution.

Although applied by the criminal court, all penalties are of an administrative nature. The framework of sanctions established by the Decree is very severe, both because of the high amount of the monetary penalties, and because disqualifying sanctions can severely limit the exercise of normal business activities, precluding a number of business activities.

The final sentence against the entity's is entered in the National Register of Administrative Penalties for offences.

### **1.7. Changes to the entity**

The Decree governs the liability regime of the entity in the event of transformation, merger, demerger and transfer of a company.

The fundamental principle establishes that it is only the entity which is liable, with its assets or with its contingency reserve, for the obligation to pay the monetary penalty. The rule therefore excludes, regardless of the legal nature of the collective entity, that the shareholders or associates are directly responsible with their assets.

As a general rule, the principles of civil law on the liability of the reformed entity for the debts of the original entity are applied to the financial penalties imposed on the entity. On the other hand, disqualification sanctions are imposed on the entity which retains, or which has acquired by merger, the business branch in which the offence was committed.

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

In the event of a merger, the entity resulting from the merger, including by incorporation, shall be liable for the offences for which the entities that took part in the merger were liable. If the merger took place before the conclusion of the proceedings to ascertain the liability of the entity, the judge shall take into account the economic conditions of the original entity and not those of the merged entity.

In the event of a demerger, the liability of the demerged entity for offences committed prior to the date on which the demerger took effect remains unaffected and the entities benefiting from the demerger are jointly and severally liable to pay the financial penalties imposed on the demerged entity within the limits of the value of the net assets transferred to each individual entity, unless it is an entity to which the branch of activity within which the offence was committed was transferred, even in part; disqualifying sanctions apply to the entity (or entities) into which the branch of activity within which the offence was committed has remained or merged. If the demerger took place before the conclusion of the proceedings to ascertain the liability of the entity, the court shall take into account the economic conditions of the original entity and not those of the merged entity.

In the event of the transfer or assignment of the company within which the offence was committed, except for the benefit of prior enforcement of the assigning entity, the transferee is jointly and

severally obliged to pay the monetary penalty together with the assigning entity, within the limits of the value of the transferred company and within the limits of the monetary penalties resulting from the compulsory accounting books or due for offences of which the transferee was in any case aware. In any case, the disqualification sanctions are applied to entities that have retained or acquired by merger, even in part, the business branch in which the crime was committed.

## **2. SNAITECH S.p.A.: activities of the Company**

The parent company SNAITECH S.p.A. is a company of the Playtech Group, a global market leader among *gaming software* suppliers.

SNAITECH S.p.A. is a State Licensee engaged in revenue collection activity and the management of public gaming/gambling related to horse racing and sports under the established licensing system governed by the Customs and Monopoly Agency (formerly the Autonomous Administration of State Monopolies and, subsequently, "ADM"). The company is also a licensee for the management of online legal gaming by means of amusement and entertainment devices pursuant to TULPS legislation – the Consolidated Law on Public Safety; namely Article 110, paragraph 6, point (a) (hereinafter "AWPs") and Article 110, paragraph 6, point (b) (hereinafter "VLTs"), as well as related activities and functions, by virtue of a regular licence under C.I.G. registration 4607780C55 granted by the ADM. Finally, SNAITECH carries out the activity of remote public gaming under licence number 15215 (hereinafter the "Licence for the remote operation of public gaming") according to the procedures governed by prevailing legislation.

The Company manages the operation of IT gaming machines, takes care of the deployment, rental, management and use of telecommunication or IT networks required by the services mentioned above, and promotes sporting events, competitions, tournaments, games, shows and events of all kinds. SNAITECH also plays the role of service provider, limiting itself in this case to providing "licensee customers" with logistics and technological services instrumental to the collection and acceptance of bets.

SNAITECH S.p.A. owns and manages the SNAITECH racecourses in Milan and the SNAITECH racecourse in Montecatini Terme, as well as the related facilities that include training tracks and horse stabling structures.

The subsidiary epìqa S.r.l., which operates in the world of television broadcasts and productions, broadcasts UnireTV's Mipaaf channels to the points of all Italian gaming and betting dealers, with all the horse races scheduled in Italy and abroad. epìqa S.r.l. also broadcasts SnaiTV channels comprising programmes dedicated to sports and other events. The range of real-time communication services also includes Radio Snai.

### **2.1. The Company's corporate governance system**

#### **▪ Board of Directors**

The Company is managed by a Board of Directors composed of 5 to 14 members (currently, the Board consists of 7 members in office, including a Chairperson and a Chief Executive Officer), appointed by the Shareholders' Meeting. The Directors' term of office is limited in time, and they

may be re-elected. The Board manages the company pursuant to the Articles of Association (Articles 14 to 21).

The Model is part and parcel of the more articulated system of procedures and controls that represents the Company's overall Corporate Governance organisation.

#### ▪ **The Shareholder's Meeting**

The Shareholders' Meeting is empowered to pass resolutions, in ordinary and extraordinary session, on matters reserved to it by law or by the Articles of Association.

The Shareholders' Meeting, legally convened and regularly constituted, represents all the Shareholders and its resolutions, taken in compliance with the Law and the Articles of Association, are binding on all the Shareholders even if absent or dissenting.

#### ▪ **The Independent Auditor Firm**

The SNAITECH Shareholders' Meeting has entrusted the auditing and accounting control of the Company's accounts to an Auditing Firm that is enrolled in the Special Register.

### **2.2. Attribution of powers**

SNAITECH's organisation foresees three different types of powers:

- powers to third parties conferred by resolution of the Board of Directors and notarial power of attorney;
- powers for specific actions;
- internal authorisation powers within the company.

The powers conferred by resolution of the Board of Directors and notarial power of attorney are those formal powers that authorise action with respect to third parties. SNAITECH applies the general rule that only persons with these formal powers can make commitments to third parties in the name and on behalf of the Company.

Powers for specific acts are those conferred for activities or actions limited in location and/or time; they are conferred by means of a special power of attorney by those who hold, by virtue of a conferred power, the relevant delegated power and who, in turn, are vested with delegating power.

The manner of assessing needs, granting, modifying or revoking powers by means of notarial powers of attorney is governed by an Operational Order ("OO"). Authorisation powers within the Company are those exercised routinely by personnel (at various levels) in the running of business processes.

The aforementioned internal powers are conferred by the competent management body and are periodically updated according to the organisational changes that have occurred in the Company's structure. In addition, internal proxies are also used to limit the powers conferred by notarial power of attorney.

### 2.3. The internal control system

The internal control system comprises the set of rules, procedures and organisational structures aimed at allowing, through an adequate process of identification, measurement, management and monitoring of the main risks, a sound business management, correct and consistent with the objectives set. Each person who is part of the SNAITECH organisation is an integral part of its internal control system and has the duty to contribute, within the scope of his/her functions and activities, to its proper functioning.

#### ▪ **Corporate function responsible for internal control**

The corporate *function responsible for internal control* has the purpose of providing the Board of Directors and the Board of Statutory Auditors with assessments, analyses, evaluations and recommendations regarding the design and operation of the Company's internal control system in order to promote its efficiency and effectiveness.

The *Board of Statutory Auditors* has the task of verifying:

- ✓ *compliance with the law and the articles of association;*
- ✓ *compliance with the principles of correct administration;*
- ✓ *the adequacy of the organisational structure of the Company, its internal control system and its accounting management system, also with respect to the reliability of the latter in accurately representing its operations.*

The Board of Statutory Auditors of SNAITECH consists of 3 members and 2 alternates.

#### ▪ **Risk Manager**

The Board of Directors has appointed the *Risk Manager* who:

- a) defines, In line with corporate strategies and objectives, guidelines and policies on risk management;
- b) identifies and defines the most relevant risk categories;
- c) analyses, assesses, mitigates, and monitors risks through a *risk assessment* activity that must adequately cover the organisational scope of the company, with the aim of defining the intervention priorities of the mitigation policies to bring the risk back to a level deemed acceptable from senior management;
- d) ensures *reporting to management* and Senior Management;
- e) ensures adequate information flows to the Board of Directors on the continuous monitoring of corporate risks.

#### ▪ **Internal Audit Department**

The Internal Audit Department is responsible for:

- a) verifying on an ongoing basis and in relation to specific needs, in compliance with international standards, the operation and adequacy of the Internal Control and Risk Management System - ICRMS - adopted by the Company and the Group in compliance with internal provisions (regulations, guidelines, procedures and operating practices, systems for procedures and delegations, etc.) that regulate the development of company processes;
- b) preparing periodic reports for the assessment of the ICRMS, to be shared with top management;
- c) developing the activity, also supporting the assessments by the corporate bodies and corporate structures in charge through a "risk based plan" approved by the Board of Directors which provides for 231 audits and supervisions, even if unplanned, and monitoring of implementing corrective actions (so-called assurance);
- d) supporting the Management on ICRMS matters in order to promote the effectiveness, efficiency and integration of controls in company processes (internal consultancy);
- e) ensuring the independent monitoring activities envisaged by the internal control models adopted by the company, the management of the investigation activities on reports, including anonymous ones;
- f) guaranteeing support activities for the control bodies (i.e. Board of Statutory Auditors, Supervisory Body) in the performance of their duties.

The activities are carried out ensuring the necessary conditions of independence and due objectivity, competence and professional diligence are maintained, with direct access to all information that is useful for carrying out one's activities.

- **The Head of Anti-Money Laundering**

The Head of Anti-Money Laundering:

- ✓ collaborates in the identification of the system of internal controls and procedures aimed at preventing and combating money laundering of proceeds from criminal activities and terrorist financing dictated by Legislative Decree no. 231 of 21 November 2007, as amended;
- ✓ verifies the reliability of the information system for feeding the single company IT archive and undertakes, in conjunction with the other company functions responsible for training, to prepare an adequate training plan aimed at achieving continuous updating of employees and collaborators;
- ✓ finally, he/she prepares information flows to corporate bodies and senior management and collaborates with the Supervisory Body in monitoring compliance with the provisions on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing.

- **Internal and external system checks**

These controls are inspired by the following principles:

- ✓ ***Separation of duties.*** The assignment of tasks and the consequent authorization levels must be aimed at keeping the authorisation, execution and control functions distinct and in any case at avoiding their concentration in a single subject.
- ✓ ***Formalisation of signature and authorisation powers.*** The conferral of such powers must be consistent and commensurate with the tasks assigned and formalised by means of a system of delegated and proxy powers that identifies their scope and consequent assumption of responsibility.
- ✓ ***Compliance with the rules of conduct contained in the Snaitech Group Code of Ethics.*** All company procedures must comply with the principles dictated by the Code of Ethics.
- ✓ ***Formalisation of control.*** Sensitive business processes must be traceable (by document or IT means, with a clear preference for the latter) and provide for specific line controls.
- ✓ ***Coding of Processes.*** Business processes are governed by procedures aimed at defining their timing and manner of execution, as well as objective criteria governing decision-making processes and anomaly indicators.

#### **2.4. Management and coordination activities and guiding principles**

SNAITECH carries out its management and coordination activities through multiple focused on the strategic, industrial and financial planning of the Group, respecting the operational autonomy of the subsidiaries.

To prevent the commission of offences related to the exercise of management and coordination, the Company's actions are based on sound corporate and business management practices. These are pursued by balancing the interests involved and implemented through compliance with the following principles:

- SNAITECH requires all recipients of the Model to adopt rules of conduct in accordance with the law, the provisions contained in this Model, the principles contained in the Snaitech Group Code of Ethics in order to prevent the possible commission of offences under the Decree;
- general prevention protocols (as described in detail in paragraph 2 of the Introduction to the Special Sections of this Model);
- the communication and dissemination principle: SNAITECH promotes the communication and dissemination of the behavioural principles described above within the Group, in order to standardise the conduct of business activities.

#### **2.5. Model and Group Companies**

Each subsidiary of the Group assesses the opportunity to adopt its own model of organisation, management and control and a code of ethics. Such action is subject to a resolution of its Administrative Body following analysis and identification of the activities at risk of crime and related mitigation measures.

All Group companies, in defining their model, comply with the principles of this document, the Snaitech Group Guidelines and Code of Ethics. Relevant content is integrated as a function of

specific parameters such as the nature, size, type of activity, the structure of internal powers and the powers of the companies themselves.

The model adopted by the Group companies is submitted by the respective administrative bodies to the SNAITECH Board of Directors, which in turn reports to the Company's Supervisory Body.

SNAITECH promotes the exchange of information between the companies of the group concerning the state of implementation of the system adopted pursuant to Italian Legislative Decree no. 231/2001, any violations of the Model and sanctions applied, as well as any updating of the models implemented as a result of new relevant predicate offences. In particular, the Supervisory Body of SNAITECH ensures that information is exchanged among the various supervisory bodies of the group companies. The information is organised on the basis of timelines and content in order to ensure the completeness and timeliness of the information useful for the purposes of control body inspections. These information flows will concern, among others, the definition of the planned and completed activities; the initiatives taken; the measures prepared in practice and any critical issues found during the supervisory activity. The flows must be informative in nature, further to the intent of attracting the group's attention, for example, on activity sectors that have proved to be at risk.

By way of example, in compliance with the autonomy and confidentiality of the information relating to the various group companies, the Supervisory Body of SNAITECH requires the following to be sent to the supervisory bodies of the subsidiaries: i) main planned checks; ii) periodic reports prepared by the individual supervisory bodies for the administrative body of the respective companies, relating to the activities carried out; iii) general annual scheduling of the meetings of the supervisory bodies.

In addition, any subsequent significant changes to its model are notified by the Group companies' supervisory bodies to the SNAITECH Supervisory Body.

The Company promotes the adoption of principles and rules of organisation and control in accordance with those outlined in this Model.

## **2.6. Purpose of the Model**

By adopting the Model, the Company intends to punctually comply with the Decree and to improve and make the already existing internal control and *corporate governance* system as efficient as possible.

The primary objective of the Model is to create an organic and structured system of control principles and procedures, aimed at preventing, where possible and concretely feasible, the commission of the offences provided for in the Decree. The Model will constitute the foundation of the Company's governance system and will implement the process of spreading a business culture based on fairness, transparency and legality. The Model also has the following aims to:

- disseminate a business culture based on legality, in that the Company condemns any conduct that does not comply with the law or with internal provisions, and in particular with the provisions contained in its own Model;
- disseminate a culture of control and *risk management*;

- implement an effective and efficient organisation of the business activity, with particular emphasis on the formation of decisions and their transparency and traceability, on the accountability of the resources dedicated to the taking of such decisions and their implementation, on the provision of preventive and subsequent controls, as well as on the management of internal and external information;
- rapidly implement all the necessary measures to reduce the risk of criminal acts as much as possible;
- provide adequate training (differentiated in content and delivery methods, depending on the qualification of the recipients, the level of risk in which they operate, whether or not they have functions of representation of the Company) and information to employees, to those who act on behalf of the Company, or are linked to the Company itself by relationships relevant for the purposes of the Decree, with reference to the activities that entail the risk of commission of offences.

### **2.7. Sources for the Model: Guidelines laid down by Confindustria – The Association of Italian Industries**

This Model was inspired by the Guidelines approved by Confindustria on 7 March 2002 and updated on 31 March 2014.

The process indicated by the Guidelines for the development of the Model can be outlined according to the following basic points:

- a) identification of **Sensitive Activities**;
- b) setting up a control system capable of reducing risks through the adoption of specific protocols. This is supported by the coordinated set of organisational structures, activities and operating rules applied – on the instructions of the top management – by the *management* in order to provide reasonable certainty as to the achievement of the objectives of a sound internal control system.

The most important components of the preventive control system proposed by Confindustria are:

- the Code of Ethics;
- An Organisation System;
- Manual and IT-based procedures;
- Powers of authorisation and signature;
- Control and management systems;
- Staff communication and training.

The control system must also comply with the following principles:

- verifiability, traceability, consistency and congruence of each operation;

- separation of functions (no single person can manage an entire process independently);
- documentation of controls;
- introduction of an appropriate Disciplinary System to apply penalties for violation of the rules and procedures prescribed by the Model;

## **2.8. Model and Code of Ethics**

By resolution of the Board of Directors, the Company has adopted the Snaitech Group Code of Ethics, which is a different instrument in nature, function and content with respect to this Model.

This Group Code of Ethics contains the fundamental principles to which SNAITECH S.p.A. adheres and the conduct to which all employees, at all levels, and directors must adhere in the daily performance of their various activities.

The Model requires compliance with the provisions of the Code of Ethics, forming with it a *body* of internal rules aimed at disseminating a culture based on honesty, fairness, integrity, transparency, impartiality, confidentiality, protection of physical integrity and human dignity as well as workplace health and safety and environmental protection.

## **2.9. Methodology for drafting the SNAITECH S.p.A. Model**

The Model for SNAITECH has been drawn up taking into account the activity concretely carried out by the Company, its structure and the nature and size of its organisation. It is also understood that the Model will be subject to any updates that may be necessary, based on the future evolution of the Company and the context in which it operates.

SNAITECH has carried out the mapping of sensitive activities as required by the Decree, through the identification and assessment of risks related to the types of crimes covered by the legislation and the related internal control system, as well as the definition of the first draft and subsequent updates of the Model.

The Model was drawn up and updated according to the following phases:

- a) preliminary examination of the corporate context by holding meetings with the Company's chief managers in order to carry out an analysis of the organisation and the activities performed by the various organisational departments, as well as to identify the corporate processes into which such activities are divided and their concrete and effective implementation;
- b) identification of the areas of activity and business processes exposed to "risk" of offences being committed. This was achieved by examining the company context as set out in point (a) above and identifying the possible ways in which offences could be committed;
- c) analysis, through meetings with the managers of the sensitive activities identified, of the main risk factors connected with the offences referenced in the Decree, as well as detection, analysis and assessment of the adequacy of existing Company Controls;
- d) identification of points for improvement in the internal control system and definition of a specific plan for implementing the improvement points identified.

Upon completion of the above-mentioned activities, a list of Sensitive Activities was drawn up/updated, i.e. those sectors of the Company and/or corporate processes in respect of which, in the light of the activities carried out, the risk of commission of offences, among those indicated in the Decree, and which may in abstract terms be associated with the type of activity carried out by the Company, was deemed to exist.

SNAITECH then surveyed and analysed the Company Controls – verifying the Organisational System, the system of attribution of powers and proxies, the Management Control System, as well as the existing procedures considered relevant to the analysis.

Areas were also identified in which financial instruments and/or substitute means are managed that may support the commission of offences in Sensitive Activities.

Together with the *risk assessment* activity and the identification of the existing control points, SNAITECH carried out a thorough review of the remaining fundamental components of the Model, namely:

- the Code of Ethics;
- The Disciplinary System;
- the rules of the SB;
- flows of information to and from the Supervisory Body.

To maintain the Model, the Company periodically undertakes a *desk review*.

## **2.10. Recipients of the Model**

The Model addresses all those who work with the Company, who are required to know and comply with its provisions.

In particular, the Recipients of the Model comprise:

- i. the Corporate Bodies (the Board of Directors, the delegated bodies, the Board of Statutory Auditors, as well as any person who exercises, also in a de facto capacity, powers of representation, decision-making and/or control within the Company) and the Independent Auditor Firm;
- ii. Company personnel, (i.e. employees, para-subordinate workers and coordinated and continuous collaborators, etc.);
- iii. third parties i.e. the Sales Network, consultants, agents, business brokers, suppliers of goods and services, including professionals, and anyone who carries out activities in the name and on behalf of the Company or under its control.

- ***Corporate Bodies and Personnel***

All the Directors, Statutory Auditors, the Independent Auditor Firm and the Personnel of SNAITECH are Recipients of the Model and must comply with its provisions.

With regard to the determination of the Entity's liability, Senior Management Figures shall be considered to comprise the Company's directors, auditors, managers and Personnel who perform management activities, also in a de facto manner albeit without having management roles, whereas non-managerial employees of the Company shall be considered Subordinate Persons.

▪ ***Third Parties***

In particular, these comprise all those persons who do not hold a "senior management" position in the terms specified in the previous paragraphs but who are nevertheless required to comply with the Model by virtue of their function in relation to the Company's corporate and organisational structure, for example because they are functionally subject to the direction or supervision of a Senior Management Figure, or because they work, directly or indirectly, for SNAITECH.

- all those who have a non-subordinate employment relationship with SNAITECH (e.g. coordinated and continuous collaborators, consultants);
- collaborators of any kind;
- all those who act in the name and/or on behalf of the Company;
- persons who are assigned, or who in any case perform, specific functions and tasks relating to occupational health and safety (e.g. Company Physicians and, if external to the company, Health and Safety Officers and Assigned Persons);
- the Sales Network (Game Points, gaming corners, etc.);
- suppliers and *partners* (where applicable).

Third parties defined as such must also include those who, although they have a contractual relationship with another Group company, essentially operate within the sensitive areas of activity on behalf or in the interest of SNAITECH.

SNAITECH believes that the adoption of the Model, together with the provision of this Snaitech Group Code of Ethics, supplemented and updated to this version, constitutes, besides the requirements of the law, an additional valuable tool to raise awareness of all employees and those who collaborate with the Company in various ways. In the performance of its activities, It enables the Company to adopt correct and transparent conduct in line with the ethical and social values that inspire the Company in the pursuit of its corporate purpose, and prevent the risk of commission of offences envisaged by the Law.

In relation to Third Parties, SNAITECH, through specific contractual clauses, requires their commitment to the actual application of the principles contained in the Model, under penalty of termination of the relationship (express termination clauses).

SNAITECH, being sensitive to the need to disseminate and consolidate the culture of transparency and integrity, and aware of the importance of ensuring conditions of fairness in the conduct of business and corporate activities to protect its position and image and the expectations of

shareholders, voluntarily adopts the Organisation and Management Model required by the Decree, setting out its reference principles.

### **2.11. Changes to the Model and updates**

In order to ensure conditions of legality, fairness and transparency in the conduct of its business, SNAITECH has decided to implement and periodically update its Organisation, Management and Control Model in accordance with the Decree. SNAITECH has also set up the Supervisory Board in charge of supervising the functioning and observance of the Model, in compliance with the provisions of the Decree.

The Model was approved, in compliance with the provisions of Article 6, paragraph 1, point (a) of the Decree, by resolution of 1 July 2008 and last updated on 1 June 2021.

The adoption and effective implementation of the Model are, by express legislative provision, the responsibility of the Board of Directors.

Therefore, the power to update the Model – an expression of effective implementation of the same – rests with the Board of Directors, which exercises it directly by resolution and with the procedures envisaged for the adoption of the Model itself.

Updating activity, intended both as additions and changes, is aimed at ensuring the adequacy and suitability of the Model, with respect to the purpose of preventing the offences established by Italian Legislative Decree 231/01.

In any case, the Supervisory Board may propose amendments to the Model on the occurrence of any facts that highlight the need to modify and/or update the Model itself.

The Supervisory Board is required to immediately report to the Chief Executive Officer only in case of real urgency. In this case, the Chief Executive Officer shall call on the Board of Directors to adopt the resolutions within its competence.

If the company procedures implementing the Model prove to be ineffective in preventing offences, applicable amendments are proposed and implemented by the competent Company Departments, having consulted the Supervisory Board, which may issue an opinion.

The Model must always be promptly amended or supplemented by the Board of Directors when:

- significant changes have occurred in the regulatory framework, in the organisation or in the Company's business activities;
- violations or evasion of the Model's provisions have occurred, demonstrating their ineffectiveness for the prevention of offences;
- in all other cases in which modification of the model is necessary or useful.

### **2.12. Crimes relevant to SNAITECH S.p.A.**

In light of the analysis carried out by the Company for the to prepare and subsequently update this Model, the following categories of offence, as envisaged by Italian Legislative Decree no. 231/01, have emerged as potentially entailing the Company's liability:

- Offences committed in relations with Public Administration bodies (Articles 24 and 25 of Italian Legislative Decree no. 231/01);
- Computer crimes and unlawful processing of data (Article 24-*bis* of Italian Legislative Decree no. 231/01);
- Organised crime offences (Article 24-*ter* of Italian Legislative Decree no. 231/01);
- Forgery of money, legal tender, revenue stamps and identification instruments or distinctive signs (Article 25-*bis* of Italian Legislative Decree no. 231/2001);
- Crimes against industry and trade (Article 25-*bis*1 of Italian Legislative Decree 231/01);
- Corporate crimes (Article 25-*ter* of Italian Legislative Decree no. 231/01) including crimes of corruption between private individuals;
- Crimes of terrorism or subversion of the democratic order envisaged by the criminal code and special laws (Article 25-*quater* of Italian Legislative Decree no. 231/2001);
- Market abuse crimes (Article 25-*sexies* of Italian Legislative Decree no. 231/01) and related administrative offences (Articles 184 et seq. of the TUF – the Italian Consolidated Finance Act);
- Crimes of manslaughter and serious or very serious personal injury, committed in violation of accident prevention regulations and the protection of hygiene and health in the workplace (Article 25-*septies* of Italian Legislative Decree no. 231/01);
- Crimes of Receiving, Laundering and Use of money, goods or benefits of illicit origin, as well as Self-laundering (article 25-*octies* of Italian Legislative Decree no. 231/01);
- Copyright infringement offences (Article 25-*novies* of Italian Legislative Decree no. 231/01);
- Inducement not to make declarations or to make false declarations to the judicial authorities (Article 25-*decies* of Italian Legislative Decree no. 231/01);
- Environmental Offences (Article 25-*undecies* of Italian Legislative Decree no. 231/01);
- Employment of third-country nationals whose stay is illegal (Article 25-*duodecies* of Italian Legislative Decree no. 231/2001).
- Fraud in sports competitions, abuse of gambling or betting and gambling exercised by means of prohibited devices (Article 25-*quaterdecies* of Italian Legislative Decree no. 231/2001);
- Tax offences (Article 25-*quinquiesdecies* of Italian Legislative Decree no. 231/2001);
- Smuggling offences (Article 25-*sexiesdecies* of Italian Legislative Decree no. 231/2001);
- Transnational crimes (Italian Law 146/2006).

With regard to the remaining offence categories, it was considered that, in the light of the main activity carried out by the Company, the socio-economic context in which it operates and the legal and economic relations it establishes with third parties, there are no risk profiles with reasonably

well-founded risk of crimes being committed in the interest or to the advantage of the Company. In this respect, the risks were in any case monitored according to the principles of conduct enshrined in the Snaitech Group Code of Ethics, which in any case require the Recipients to respect essential values such as impartiality, fairness, transparency, respect for the human person, correctness and legality, as well as through the procedural system aimed at regulating, in a clear and effective manner, the relevant processes of the Company.

The Company undertakes to constantly assess the relevance for the purposes of this Model of any further crimes, as currently envisaged by Italian Legislative Decree no. 231/01 or introduced by subsequent additions to the same.

For each of the categories of crime considered relevant for SNAITECH, the so-called "risk areas" are identified in the subsequent Special Sections, i.e. those activities in the performance of which it is abstractly possible that a crime may be committed, the relative methods of commission and the existing Corporate Controls.

### **2.13. The concept of acceptable risk**

In preparing the Model, the concept of "acceptable" risk cannot be overlooked.

It is therefore important that for the application of the rules of the Decree, an effective threshold shall be defined that sets a limit to the quantity or quality of the prevention measures to be introduced in order to avoid the crimes considered being committed.

In the absence of a determination of the "acceptable" risk, the quantity/quality of preventive controls that can be established is in fact virtually infinite, with the foreseeable consequences in terms of business operations.

With regard to the preventive control system to be constructed in relation to the risk of committing the types of crime contemplated by the Decree, the conceptual threshold of acceptability, is represented by a prevention system that cannot be bypassed if not in a fraudulent manner.

This solution is in line with the logic of the "fraudulent circumvention" of the Model as an exemption for the purposes of the exclusion of the Entity's administrative liability (Article 6, paragraph 1, point c, "*the persons committed the offence by fraudulently circumventing the organisation and management models*"), as clarified by the most recent update of the Confindustria Guidelines.

With specific reference to the penalty mechanism introduced by the Decree, the threshold of acceptability is therefore represented by the effective implementation of an adequate preventive system which cannot be circumvented unless intentionally, i.e., for the purposes of the exclusion of the Entity's administrative liability, the persons who committed the offence must act by fraudulently circumventing the Model and the controls implemented by the Company.

### **2.14. Management of financial resources**

Bearing in mind that, pursuant to Article 6, point (c) of Italian Legislative Decree no. 231/01, one of the requirements of the Model is the identification of the methods of managing financial resources capable of preventing the commission of offences, the Company adopts specific protocols and/or procedures containing the principles and conduct to be followed in managing such resources.

## **2.15. Manual and IT-based procedures**

As part of its organisational system, SNAITECH has defined procedures to regulate the conduct of company activities.

In compliance with the Confindustria Guidelines, in fact, the Company has decided to equip itself with procedures, both manual and computerised, which define the rules to be followed within the company processes concerned, including the controls to be carried out in order to ensure the correctness, effectiveness and efficiency of company activities.

The procedures are disseminated, published, collected and made available to all company stakeholders through internal communication by the Human Resources and Organisation Department and are always accessible and viewable on the company intranet.

## **3. Supervisory Board**

### **3.1. Function**

In compliance with the Decree, the Company has set up a Supervisory Board, which is autonomous, independent and dedicated to controlling the risks related to the specific activity carried out by the Company itself and to the relevant legal profiles.

The Supervisory Body is tasked with continuously checking that:

- the Model is observed by its recipients, as identified in the previous paragraph;
- the Model is effective in preventing the commission of the offences referenced in the Decree;
- the Model's provisions are implemented in the performance of the Company's activities;
- the Model is updated, should its adaptation be rendered necessary by changes that may have occurred in the corporate structure and organisation, activities conducted by the Company or the reference regulatory framework.

The Supervisory Body approves and adopts Specific Operating Rules, and submits them to the Board of Directors.

### **3.2. Requirements and composition of the Supervisory Board**

According to the provisions of Italian Legislative Decree no. 231/01 (Articles 6 and 7), the expressed legislative indications, together with the relevant consolidated legal doctrine and case law, require that the Supervisory Body must ensure effective and efficient implementation of the Model by observing the principles of:

- a) autonomy and independence;*
- b) professionalism;*
- c) continuity of action;*

**d) *good repute.***

**a) *Autonomy and independence***

The autonomy and independence of the SB, as well as of its members, are key elements for the effectiveness of the control activity.

The concepts of autonomy and independence are not defined in an absolute sense, rather, they are declined and framed according to the operational scenario in which they are to be applied. Since the Supervisory Board has the task of verifying compliance with the protocols applied in the company's operations, its position within the entity must guarantee its autonomy from any form of interference and conditioning by any member of the entity and, in particular, by senior management. This aspect carries special significance because the SB's purpose also includes the supervision of the actions of senior management figures themselves. Therefore, the SB is configured at the highest possible hierarchical level in the Corporate Structure and is subordinate only to the Board of Directors in the exercise of its function.

Furthermore, to further guarantee its autonomy, the Board of Directors provides the SB with company resources, in number and skills commensurate with the tasks entrusted to it, and allocates adequate funding within the corporate budget, as proposed by the SB itself, which the latter may use for any requirement necessary for the proper performance of its tasks (e.g. specialist consultancy, travel, etc.).

The autonomy and independence of the individual members of the Supervisory Board shall be determined on the basis of their assigned functions and tasks, identifying from whom and from what they shall act autonomously and independently to ensure the performance of said tasks. Consequently, each member must not hold decision-making, operational and management roles that would compromise the autonomy and independence of the entire SB. In any case, the autonomy and independence prerequisites demand that members must not be in a position, even potentially, of personal conflict of interest with the Company.

**b) *Professionalism***

The Supervisory Board must possess adequate technical-professional skills for the functions it is called upon to perform. These characteristics, together with independence, ensure objectivity of judgment.

It is therefore necessary for the Supervisory Board to include persons with adequate professional expertise in legal matters and in the control and management of corporate risks. In addition, the SB may also engage external professionals as resources with competence in the business processes that are at risk, in abstract terms, of one of the predicate offences being committed. Finally, the Supervisory Body must have knowledge of the principles and techniques of *compliance* and *internal audit* work.

**c) *Continuity of action***

The SB shall:

- continuously perform the activities necessary for the supervision of the Model with due diligence and the necessary powers of investigation;

- act as an entity referable to the Company, so as to ensure the required continuity in its supervisory activities;
- ensure that the Model is implemented and constantly updated;
- not engage in operational tasks that may condition and affect its required comprehensive view of the Company's activities.

**d) *Good repute***

The members of the Supervisory Board must conform to the following requirements:

- they shall not be in a state of temporary disqualification or suspension from participating in the management of legal entities and companies;
- they shall not be in one of the conditions of ineligibility or forfeiture envisaged by Article 2382 of the Italian Civil Code with regard to company directors and considered applicable, for the purposes of the Model, also to the individual members of the SB;
- they shall not have been subjected to preventive measures pursuant to Italian Law no. 1423 of 27 December 1956 ("*Prevention measures against persons who threaten safety and public morality*") or Italian Law no. 575 of 31 May 1965, ("*Provisions against the Mafia*") as amended, without prejudice to the effects of rehabilitation;
- they shall not have been sentenced, even if with a conditionally suspended sentence, without prejudice to the effects of rehabilitation:
  - ✓ for one of the crimes envisaged by Royal Decree no. 267 of 16 March 1942 (the Bankruptcy Law);
  - ✓ for one of the crimes envisaged in Title XI of Book V of the Italian Civil Code ("*Criminal provisions relating to companies and consortia*");
  - ✓ for a non-culpable crime, for a period of not less than one year;
  - ✓ for a crime against the Public Administration, against public faith, against property or against the public economy.

Members of the SB must meet the requirements prescribed in the Interdepartmental Decree of the Ministry of Economy and Finance of 28 June 2011, no. 1845/Strategie/UD, which implements Article 1, paragraph 78, point a-5, of Italian Law no. 220 of 13 December 2010 as amended.

Each member of the SB shall sign a specific declaration certifying the existence of the personal requisites requested.

If the specified requirements are no longer met, the member of the Supervisory Board shall cease to be a member, as stated in Paragraph 3.3 below.

### **3.3. Eligibility requirements**

Persons selected as members of the SB are technical experts or persons with expertise in legal practice and/or internal control systems.

The following constitute grounds for ineligibility and/or expiry as members of the Supervisory Body:

- a) the lack or absence of the "good repute" requirements referenced in the previous paragraph;
- b) relationships of kinship, marriage or affinity up to the fourth degree with members of the Board of Directors, the Board of Statutory Auditors or the external Independent Auditing Firm;
- c) having been subject to preventive measures ordered pursuant to Italian Legislative Decree no. 159 of 6 September 2011 ("Code of anti-mafia laws and preventive measures, as well as new provisions on anti-mafia documentation, pursuant to Articles 1 and 2 of Italian Law No. 136 of 13 August 2010");
- d) having been convicted, even with a sentence that is not yet final or issued *pursuant* to Article 444 et seq. of the Italian Code of Criminal Procedure, even if the sentence has been conditionally suspended, without prejudice to the effects of rehabilitation: i) for one or more of the offences listed exhaustively in Italian Legislative Decree 231/2001; ii) for any non-culpable crime;
- e) being disqualified, incapacitated, bankrupt or having been sentenced, even with a non-final judgment, to a punishment entailing disqualification, even temporary, from public office or the inability to exercise executive offices;
- f) having been subject to the accessory administrative sanctions referred to in Article 187-*quater* of Italian Legislative Decree no. 58 of 24 February 1998;
- g) with exclusive reference to external members of the Supervisory Board, the existence of relationships of a financial nature between the member and the Company, such as to compromise the independence of that member.

If, during the term of office, a cause of disqualification should arise, the member of the SB shall immediately inform the Board of Directors, which shall promptly appoint a new member of the SB, while the outgoing member shall refrain from taking any decision, with the consequence that the Supervisory Board shall operate with a reduced membership.

### **3.4. Appointment, revocation, replacement, forfeiture and renunciation**

The SB remains in office for the duration indicated in the deed of appointment and can be renewed.

Termination of the SB's appointment can occur for one of the following reasons:

- expiry of assignment term;
- mandate revocation for just cause by the Board of Directors;
- withdrawal by the member of the SB, expressly confirmed in writing to the Board of Directors;

- occurrence of one of the causes of forfeiture.

The revocation of the Supervisory Board may only be ordered for just cause, and this includes, by way of example, the following cases:

- if the member is involved in a criminal trial concerning the commission of an offence under Italian Legislative Decree no. 231/01, from which the Company may incur liability;
- violation of the confidentiality obligations imposed on the Supervisory Board;
- gross negligence in fulfilling the duties related to the appointment;
- possible involvement of the Company in a criminal or civil proceeding which is connected to an omitted or insufficient supervision of the SB, even if culpable;
- the assignment of operational functions and responsibilities within the company organisation that are incompatible with the SB's requirements of "autonomy and independence" and "continuity of action". In any case, any provision of an organisational nature, which concerns a member of the SB (for example, in the case of termination of employment, transfer to another position, dismissal, disciplinary measures, appointment of a new manager) must be brought to the attention of the Board of Directors through the Chairman of the SB;
- unjustified absence at two or more regularly convened consecutive SB meetings;
- having been convicted of one of the offences envisaged in Italian Legislative Decree no. 231/01, even if the sentence has not become final;
- impediment of a member of the Supervisory Board lasting more than six months, with the cause falling within those referenced in Paragraph 3.5 below.

The revocation is ordered by resolution (carried by a minimum two-thirds majority) of the Board of Directors, subject to the non-binding opinion of the Board of Statutory Auditors. Each member of the SB may withdraw from the appointment at any time, in the manner to be established in the Regulations of the Board itself.

In the event of expiry, revocation or renunciation, the Board of Directors shall appoint replacement SB members without delay, while the outgoing members shall remain in office until they are replaced.

### **3.5. Causes of temporary impediment**

Should circumstances arise that temporarily prevent members of the SB from carrying out their duties or performing them with the necessary autonomy and independence of judgement for a period of six months, they must declare the existence of the legitimate impediment and – if it is due to a potential conflict of interest – its originating cause. Such members subject to legitimate impediment shall abstain from participating in SB meetings or in the specific resolution to which the conflict refers, as long as the impediment persists or is removed.

In the event of temporary impediment or in any other circumstance which makes it impossible for one or more members to attend the meeting, the Supervisory Board shall operate with reduced membership.

### 3.6. Activities and powers

In compliance with the indications prescribed by the Decree and the Guidelines, the operation of the appointed SB in general comprises:

- supervision of the actual implementation of the Model, i.e. overseeing that the conduct implemented within the Company corresponds to the Model prepared and that the Recipients of the same act in compliance with the provisions contained in the Model itself;
- verification of the effectiveness and adequacy of the Model, i.e. verification that it is suitable for preventing the occurrence of the offences referenced in the Decree;
- ensuring that the Model is constantly updated, proposing to the Board of Directors any necessary amendments, in order to adapt it to organisational and regulatory changes and to changes in the corporate structure;
- checking that the updating and amendment proposals submitted by the Board of Directors have actually been implemented in the Model.

As part of the function described above, the SB is responsible for the following tasks:

- periodically verifying the adequacy of Corporate Controls in the context of Sensitive Activities. For this purpose, the Recipients of the Model must report to the Supervisory Body any situations that could expose the Company to risk of crime. All notification must be drawn up in writing and sent to the appropriate email address designated by the SB;
- periodically conducting, on the basis of the SB's pre-established activity plan, targeted checks and inspections on specific operations or acts carried out in the context of Sensitive Activities;
- collecting, processing and storing information (including the reports referenced in Paragraph 3.8 below) relevant to compliance with the Model, as well as updating the list of information that must be compulsorily transmitted to the Supervisory Body;
- conducting internal investigations to ascertain alleged violations of the prescriptions of this Model, brought to the attention of the SB by specific reports or which have emerged during the supervisory activity of the SB;
- verifying that the Company Controls prescribed in the Model for the different types of offences are actually adopted and implemented and that they meet the requirements of compliance with Italian Legislative Decree no. 231/01, and if not, proposing corrective actions and updates of the same;
- promoting, within the competent company bodies and/or functions, appropriate initiatives aimed at disseminating knowledge and understanding of the Model.

For the performance of the functions and tasks indicated above, the SB is vested with the following powers:

- broad and extensive access to the various corporate documents and, in particular, those concerning contractual and non-contractual relations established by the Company with third parties;

- the SNB may avail itself of the support and cooperation of the various corporate structures and bodies that may be interested, or in any case involved, in control activities;
- the SB shall draw up an annual plan of checks on the Models' adequacy and functionality;
- the SB shall check that the mapping of Sensitive Activities is constantly updated, proposing any proposals for amending it, in accordance with the methods and principles followed in adopting/updating this Model;
- the SB may award specific consultancy and assistance contracts to professionals who are experts in the field. For this purpose, the resolution of the Board of Directors that appoints the SB shall also allocate specific spending powers (budget).

### **3.7. Information flow, to and from the Supervisory Body**

Article 6, paragraph 2, point (d) of the Decree establishes that the Model must provide for information obligations vis-à-vis the Supervisory Board, particularly with regard to any violations of the Model, the Company procedures or the Code of Ethics.

The Supervisory Board must be promptly informed by all corporate subjects, as well as by third parties required to comply with the provisions of the Model, of any news concerning the existence of possible violations thereof.

The disclosure obligation is also addressed to all the corporate functions and structures considered to be at risk of commission of offences referred to in the Mapping of Crime-Sensitive Activities contained in the Model.

#### **3.7.1. Information flows to the SB**

All addressees of the Model send the Supervisory Body any information that is helpful in assisting it in verifying that the Model has been effectively implemented.

The information flow process starts with the identification of those sensitive activities for which, maliciously or due to lack of control, it is possible that an action may be carried out which, directly or indirectly, may lead to the commission of one of the offences envisaged by Italian Legislative Decree no. 231/2001.

The Company has implemented a procedure named "Management of information flows to the Supervisory Board". This procedure is shared with the Supervisory Board and establishes the types of information that the managers involved in the management of sensitive activities must report, as well as the frequency and manner in which such reports are forwarded to the Supervisory Board.

#### **3.7.2. Information flows from the SB**

Given that the responsibility for adopting and effectively implementing the Model remains with the Board of Directors of the Company, the SB reports on the implementation of the Model and the occurrence of any critical issues.

The SB is obliged to report:

- promptly, for specific needs, including urgent ones, to the CEO any problems related to the activities, where relevant;
- on a periodic basis, to the Board of Directors and the Board of Statutory Auditors. In particular, the SB must:
  - ✓ notify, at the beginning of each financial year and as part of its annual report, the plan of activities it intends to carry out during the year in order to fulfil its assigned tasks;
  - ✓ draw up two half-yearly reports, the second of which summarises the activities carried out during the year and identifies the activities to be carried out during the first six months of the following year.

The Administrative Body, the Chairman, the Chief Executive Officer and the Board of Statutory Auditors have the right to request a meeting with the SB at any time. Similarly, the Supervisory Board may consult these bodies to report on the operation of the Model or on specific situations.

Minutes must be kept of meetings with the corporate bodies to which the Supervisory Board reports. A copy of these minutes is kept by the SB and by the bodies involved from time to time.

Assessing the individual circumstances, the SB may also disclose:

- (a) the results of its assessments to the heads of the functions and/or processes, should the activities result in aspects likely to improve. In this case, it will be necessary for the SB to share a plan of improvement actions with the process managers, with relative timing, as well as the result of such implementation.
- (b) Report to the Board of Directors and the Board of Statutory Auditors behaviours/actions not in line with the Model in order to:
  - acquire from the Board of Directors all the elements needed to issue any notifications to the structures in charge of assessing and applying disciplinary sanctions;
  - give indications for the removal of the shortcomings in order to avoid the recurrence of the event.

The SB is obliged to immediately inform the Board of Statutory Auditors if the violation concerns the Board of Directors.

Finally, as part of the SNAITECH Group's activities, the Company's SB coordinates with the other SBs of the Group.

### **3.8. Whistleblowing**

By Law No. 179 of 30 November 2017 on the "*Provisions for the protection of persons who report offences or irregularities of which they become aware in the context of a public or private employment relationship*" the Legislature, in an attempt to harmonise the provisions laid down for the public sector with the above-mentioned Law, introduced specific provisions for the entities to which Legislative Decree 231/2001 applies, and inserted three new paragraphs into Article 6 of Legislative Decree 231/2001, namely paragraphs *2-bis*, *2-ter* and *2-quater*.

In particular, Article 6 provides:

- In paragraph 2-*bis*, that the Organisation, Management and Control Models must provide for:
  - one or more channels enabling the persons referred to in Article 5(1)(a) and (b)<sup>10</sup> 1 to submit detailed reports of unlawful conduct, relevant under the Decree and based on precise and concordant facts, or of violations of the organisation and management model of the entity, of which they have become aware by virtue of their functions, in order to protect the integrity of the entity; these channels guarantee the confidentiality of the identity of the whistleblower in the management of the report;
  - at least one alternative IT -based reporting channel capable of guaranteeing the confidentiality of the whistleblower's identity;
  - the prohibition of retaliation or discriminatory acts (direct or indirect) against the whistleblower, for reasons connected, directly or indirectly, to the report;
  - in the disciplinary system adopted pursuant to paragraph 2(e), sanctions against those who breach the measures for the protection of the whistleblower, as well as against those who make, with malice or serious misconduct, reports which turn out to be unfounded.
- Paragraph 2-*ter* provides that the adoption of discriminatory measures against the persons making the reports referred to in paragraph 2-*bis* may be reported to the Labour Inspectorate, for the measures falling within its competence, as well as by the whistleblower and by the trade union organisation indicated by the same.
- Paragraph 2-*quater* regulates the retaliatory or discriminatory dismissal of the whistleblower, which is expressly qualified as "null and void". The change of duties pursuant to Article 2103 of the Civil Code, as well as any other retaliatory or discriminatory measure taken against the whistleblower are also indicated as null and void.

The aforementioned article also prescribes that in the event of disputes relating to the imposition of disciplinary sanctions, demotion, dismissal, transfer or subjecting the whistleblower to other organisational measures having adverse effects on working conditions, it is the responsibility of the employer to prove that such measures were adopted on the basis of reasons unrelated to the report.

The *whistleblowing* law introduces into the Italian legal system a set of rules aimed at improving the effectiveness of tools to combat corruption, as well as to protect the reporting parties to a greater extent by encouraging the use of the tool of reporting illegal conduct or violations of the organisation, management and control models by making the employer responsible for

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a) <sup>10</sup>Article 5, paragraph 1 of Italian Legislative Decree no. 231/2001, states that: "*The entity is liable for offences committed in its interest or to its advantage: (a) by persons who hold positions of representation, administration or management of the entity or of one of its organisational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the entity itself;*

b) *by persons subject to the direction or supervision of one of the persons referred to in letter (a)".*

demonstrating - in disputes relating to the imposition of disciplinary sanctions, demotions, dismissals, transfers or subjecting the whistleblower to other organisational measures following the submission of the report having negative effects, direct or indirect, on working conditions - that such measures are based on reasons unrelated to the report itself (the so-called "reversal of the burden of proof in favour of the whistleblower").

### **3.8.1. The *whistleblowing* procedure**

It should be noted that the Company, since the first adoption of the Organisation, Management and Control Model and, in the absence of a specific regulatory provision, until the introduction of the Whistleblowing Law, has always paid particular attention to the issue of *whistleblowing*, also regulating the flow of information, as provided for in paragraph 3.7.1.

In order to implement the additions made to Article 6 of Italian Legislative Decree no. 231/2001, the Company has adopted a system for managing reports of wrongdoing which will protect the identity and confidentiality of reporting individuals. The system includes the introduction of specific penalties within the disciplinary system in the event of any acts of retaliation and discriminatory attitudes against the person making the report for having reported, in good faith and on the basis of reasonable elements of fact, unlawful conduct and/or conduct in breach of the Organisation, Management and Control Model or the Code of Ethics.

In order to ensure the effectiveness of the *whistleblowing* system, the Company has adopted a specific "Procedure for reporting offences and irregularities" by its employees, directors and members of corporate bodies as well as third parties, who have been informed of the existence of specific communication channels that allow them to submit any reports, based on precise and agreed factual elements, guaranteeing the confidentiality of the reporter's identity, also by means of computerised procedures.

The Company also ensures that all employees and persons who work with it are duly informed, not only in relation to the procedures and regulations adopted and the related activities at risk, but also with reference to the knowledge, understanding and dissemination of the objectives and the spirit in which the report must be made.

#### **3.8.1.1. Scope of the *whistleblowing* procedure and reporting channels**

The procedure adopted by the Company is aimed at regulating, incentivising and protecting those who, in the performance of their work duties, become aware of an offence and/or irregularity in the workplace, relevant for the purposes of Italian Legislative Decree no. 231/2001, and decide to report it.

The subject of the reports will therefore comprise:

- unlawful conduct, which constitutes one or more types of offence from which the entity may incur liability under the Decree;
- conduct which, although not constituting any type of offence, has been committed in breach of the rules of conduct, procedures, protocols or provisions contained in the Model or in the documents annexed to it.

On the other hand, matters of a personal nature of the whistleblower, claims or requests relating to the discipline of the employment relationship or relations with the hierarchical superior or with colleagues shall not be worthy of reporting.

Reports must provide useful elements to enable the persons in charge to carry out due and appropriate checks and investigations (Article 6, paragraph 2-bis, Italian Legislative Decree no. 231/2001).

Anonymous reports are also regulated, i.e. those reports which do not contain any elements enabling their author to be identified. Anonymous reports shall not be taken into account with regard to the protection afforded by the law to the whistleblower (Article 6 paragraphs 2-ter and 2-quater of Italian Legislative Decree no. 231/2001). The above-mentioned reports shall be subject to further checks only if they are characterised by a sufficiently detailed and circumstantiated content and concern particularly serious offences or irregularities.

The recipients of the reports, identified by the Company, are the members of the Supervisory Body.

Reports can be drafted and sent to the dedicated email address [odvsnai@snaitech.it](mailto:odvsnai@snaitech.it) and also in writing to the Body at the postal address:

Supervisory Board

SNAITECH S.p.A.

Piazza della Repubblica no. 32

20124 - Milan

Moreover, in accordance with the provisions of the legislation, the Company has set up an additional information channel to ensure the confidentiality of the identity of the reporter.

Whistleblowers may, therefore, send their reports

- verbally, referring to the recipients of the report as identified above;
- using a software application accessible through the corporate intranet that guarantees the confidentiality of the reporter and the report, as required by law.

The Company and the recipients of the report shall act in such a way as to guarantee whistleblowers against any form of retaliation or discriminatory behaviour, whether direct or indirect, for reasons directly or indirectly linked to the report.

The "Procedure for reporting offences and irregularities" adopted by the Company governs in detail the tasks and verification activities carried out by the person receiving the report and aimed at verifying the validity of the report.

In order to encourage the use of internal reporting systems, and to foster the spread of a culture of legality, the Company explains the internal reporting procedure adopted to its employees in a clear, precise and complete manner.

## 4. Disciplinary system

### 4.1. General principles

The Company acknowledges and declares that the provision of an adequate System of Penalties for the violation of the rules and measures contained in the Model and in the relevant Company Controls is an essential condition for ensuring the effectiveness of the Model itself.

In this regard, in fact, Articles 6 par.2 (e) and 7 par. 4 (b) of the Decree prescribe that the Organisation and Management Models must "*introduce a disciplinary system capable of sanctioning failure to comply with the measures indicated in the model*", for Senior Management Figures and Subordinates respectively. Pursuant to Article 2106 of the Italian Civil Code, with reference to employment relationships, this Disciplinary System supplements the National Collective Labour Agreements applied to employees for all matters not expressly provided for and limited to the cases contemplated therein.

The Disciplinary System is divided into sections, according to the classification category of the recipients pursuant to Article 2095 of the Italian Civil Code.

Violation of the rules of conduct and the measures laid down in the Model by employees and/or managers of the Company constitutes a breach of the obligations arising from the employment relationship, pursuant to Articles 2104 and 2106 of the Italian Civil Code.

The application of the penalties described in the Disciplinary System is independent of the outcome of any criminal proceedings, since the rules of conduct imposed by the Model and the relevant Company Controls are adopted by the Company in full autonomy and independently of the type of offences referenced in the Decree.

More precisely, failure to comply with the rules and provisions contained in the Model and in the relevant Company Controls damages, in itself, the relationship of trust existing with the Company and entails actions of a sanctioning nature, irrespective of the possible establishment or outcome of a criminal trial, in cases where the violation constitutes a crime. This also complies with the principles of promptness and immediacy of the notification (including of a disciplinary nature) and of the imposition of sanctions in compliance with the applicable legislation.

For the purposes of assessing the effectiveness and suitability of the Model to prevent the offences indicated in Italian Legislative Decree no. 231/01, the Model must identify and penalise conduct which may favour the commission of offences.

The concept of the Disciplinary System suggests that the Company should proceed to a graduation of the applicable sanctions, in relation to the different degree of dangerousness that the conduct may present with respect to the commission of offences.

A system of Penalties has therefore been drawn up which, first and foremost, penalises all breaches of the Model, from the most minor to the most serious, by means of a system of *gradual* penalties and, secondly, respects the principle of *proportionality* between the breach detected and the penalty imposed.

Regardless of the nature of the Disciplinary System required by Legislative Decree no. 231/01, there remains the basic characteristic of the disciplinary power vested in the Employer, which,

pursuant to Article 2106 of the Italian Civil Code, applies to all categories of workers and is exercised independently of the collective bargaining provisions.

#### **4.2. Definition of "violation" for the purposes of implementing this Disciplinary System**

By way of general and purely illustrative example, the following constitute a "violation" of this Model and the related Company Controls:

- a) actions or behaviours that do not comply with the law and with the prescriptions contained in the Model itself and in the relevant Company Controls, leading to the commission of one of the offences provided for by the Decree;
- b) actions or the omission of actions or behaviours prescribed in the Model and in the relevant Company Controls, which entail a situation of mere risk of committing one of the offences covered by the Decree;
- c) the omission of actions or behaviours prescribed in the Model and in the relevant Company Controls that do not entail a risk of committing one of the offences covered by the Decree;
- d) actions or behaviours that do not comply with the provisions of the *Whistleblowing Regulations* pursuant to Italian Law 179/2017 as amended.

#### **4.3. Criteria for the imposition of penalties**

The type and extent of the specific penalties will be applied in proportion to the seriousness of the violation and, in any case, based on the following general criteria:

- subjective element of the conduct (wilful misconduct, negligence);
- significance of the violated obligations;
- potential of the damage caused to the Company and the possible application of the penalties provided for in the Decree as amended;
- level of hierarchical or technical responsibility of the person concerned;
- presence of aggravating or extenuating circumstances, with particular regard to the previous work performed by the person to whom the Model applies and to his/her disciplinary record;
- any sharing of responsibility with other employees or third parties in general who have contributed to the violation.

If several offences, punished with different penalties, have been committed in a single act, only the most serious penalty shall be applied.

The principles of timeliness and immediacy of the charges impose the imposition of the penalty (including and above all disciplinary penalties) regardless of the possible initiation and/or outcome of a criminal trial.

In any case, disciplinary penalties against employees shall be imposed in compliance with Article 7 of Law 300/70 (hereinafter also referred to as the "Workers' Charter") and all other relevant legislative and contractual provisions.

#### **4.4. Penalties**

##### **4.4.1. Employees: disciplinary offences**

Disciplinary offences are defined as the behaviour of employees, including managers, in violation of the rules and principles of conduct set out in the Model. The type and extent of the sanctions applicable to individual cases may vary in relation to the seriousness of the misconduct and on the basis of the following criteria:

- conduct (wilful misconduct or negligence);
- the employee's duties, qualification and level;
- significance of the violated obligations;
- potential for damage to SNAITECH;
- recurrence of the offences.

If several violations, punishable by different penalties, are committed, the most serious penalty shall apply. Violation of the provisions may constitute a breach of contractual obligations, in accordance with Articles 2104, 2106 and 2118 of the Italian Civil Code, the Workers' Charter, as well as Italian Law 604/66 (as amended by Italian Law no. 92/2012), and the applicable national collective labour agreement in force, with the applicability, in the most serious cases, of Article 2119 of the Italian Civil Code.

##### **4.4.2. Correlation criteria**

In order to clarify in advance the criteria of correlation between the failures of workers and the disciplinary measures taken, the Board of Directors classifies the actions of directors, employees and third parties as follows:

- behaviours such as failure to execute the orders given by SNAITECH, both in written and verbal form, in the performance of activities at risk of crime, such as, for example: violation of procedures, regulations, written internal instructions, minutes or the Snaitech Group Code of Ethics, which integrate the extremes of minor negligence (minor violation);
- conduct such as to constitute a serious breach of discipline and/or diligence at work such as the adoption, in the performance of activities at risk of offence, of the conduct referred to in the preceding point, committed with wilful misconduct or gross negligence (serious breach);
- conduct that causes serious moral or material damage to the Company, such as not allowing the continuation of the relationship, even temporarily, such as the adoption of behaviours that integrate the extremes of one or more alleged crimes or otherwise unequivocally directed to the commission of such crimes (serious violation and to the detriment of SNAITECH).

Specifically, a failure to comply with the Model arises in the case of violations that:

- are committed within the scope of the "sensitive" activities identified in the Model's Summary Document (Special Sections A, B, C, D, E, F, G, H, I, L, M, N, O, P, Q, R and S);
- merely supplement the fact (objective element) of one of the offences provided for in the Decree;
- are aimed at committing one of the offences provided for in the Decree, or in any case present a danger that the Company may be held liable under the Decree.

A violation of the Model also arises on the occurrence of a breach of whistleblower identity confidentiality obligations as prescribed by the *Whistleblowing Regulations* enacted in Italian Law 179/2017, as amended, to protect the employee or collaborator who reports offences. Acts of retaliation or discrimination against whistleblowers also constitute violations of the Model.

Of special relevance are violations in the field of occupational health and safety at work (Special Section D); these are also graded in increasing order of seriousness.

In particular, a Model non-compliance arises if a violation results in:

- a situation of concrete danger for the physical integrity of one or more persons, including the author of the violation;
- injury to the physical integrity of one or more persons, including the perpetrator of the violation;
- an injury, classifiable as "severe" pursuant to Article 583(1) of the Italian Criminal Code, to the physical integrity of one or more persons, including the person responsible for of the violation;
- an injury to the physical integrity of one or more persons, including the person responsible for of the violation; an injury to physical integrity, qualifying as 'very serious' pursuant to Article 583, paragraph 2, of the Italian Criminal Code;
- the death of one or more persons, including the person responsible for of the violation.

#### **4.4.3. Penalties applicable to middle management and employees**

In accordance with the provisions of the disciplinary procedure of the Workers' Charter, the applicable National Collective Labour Agreement, as well as of all other relevant legislative and regulatory provisions, any worker who is responsible for actions or omissions that conflict with the provisions of the Model, as well as of the *Whistleblowing Regulations*, also taking into account the seriousness and/or recurrence of the conduct, shall be subject to the following disciplinary penalties:

- verbal reprimand (minor violations);
- written reprimand (minor violations);
- a fine not exceeding three hours' pay calculated on the basis of the minimum wage (serious infringements);
- suspension from pay and duty for up to three days (serious violations);
- summary dismissal (serious violations and with prejudice to SNAITECH).

#### **4.4.4. Sanctions applicable to executives**

Although the disciplinary procedure under Article 7 of Italian Law No. 300/70 is not applicable to executives, the procedural guarantee provided for in the Workers' Charter should also apply to them.

In the event of any infringements – (understood not only as direct violations of the Model but also of the related laws, including the *Whistleblowing Regulations*, as well as of the principles, rules and internal procedures laid down in this Model or of its adoption) committed by executives in the performance of duties falling within the sensitive areas, the Company shall apply the penalties indicated below to the persons responsible, also taking into account the seriousness of the violation(s) and any recurrence thereof.

Also in view of the special relationship of trust, the position of guarantee and supervision of compliance with the rules laid down in the Model that characterises the relationship between the Company and the executive, in accordance with the provisions of the law in force and the National Collective Labour Agreement for executives applicable to the Company, in cases of maximum seriousness, dismissal with notice or dismissal for just cause shall be applied.

Considering that such measures entail the termination of the employment relationship, the Company, in implementation of the principle of proportionality of the penalty, reserves the right, for less serious violations, to apply the measure of written reprimand or suspension from service and from remuneration up to a maximum of ten days.

This is without prejudice to the right to compensation for any damage caused to the Company by the executive.

#### **4.4.5. Measures against Directors, Statutory Auditors and the Supervisory Board**

##### **▪ Measures against Directors**

If the Supervisory Board, the Board of Statutory Auditors or the BoD, in the performance of their duties, should discover any violation of the Model by one or more directors, the aforementioned bodies shall immediately inform the Board of Directors so that the latter may take the appropriate measures including, for example, calling a Shareholders' Meeting in order to adopt the most appropriate measures provided for by law and/or revoking any powers conferred on the director in accordance with the provisions of Articles 2476 et seq. of the Italian Civil Code.

##### **▪ Measures against Statutory Auditors**

If the Supervisory Board, the Board of Statutory Auditors or the BoD, in the performance of their duties, should discover any violation of this Model by one or more Statutory Auditors, the said bodies shall immediately inform the Board of Directors so that the latter may take the appropriate measures including, for example, convening the Shareholders' Meeting in order to adopt the most appropriate measures provided for by law.

##### **▪ Measures applicable to members of the Supervisory Board**

If the Supervisory Board, the Board of Statutory Auditors or the Board of Directors, in the performance of their duties, should discover any violation of this Model by one or more members of

the Supervisory Board, the aforementioned bodies shall immediately inform the Board of Directors so that the latter may take the appropriate measures including, for example, the revocation of the appointment of the members of the Supervisory Board and the consequent appointment of new members.

#### **4.4.6. Disciplinary procedure for employees**

The Company adopts a standard company procedure for the notification of disciplinary charges against its employees and for the imposition of the relevant sanctions, which complies with the forms, methods and timeframes laid down in Article 7 of the Workers' Charter, in the applicable National Collective Labour Agreement and in all other relevant legislative and regulatory provisions.

Following the occurrence of a possible violation of this Model and of the relevant procedures, pursuant to point 4.2 above, by an employee, a prompt report shall be made to the CEO who, with the support of the competent functions, shall assess the seriousness of the reported behaviour in order to establish whether it is necessary to issue a disciplinary notice against the employee concerned.

If it is considered appropriate to impose a disciplinary sanction more serious than a verbal reprimand, the CEO, possibly through the intermediary of a person expressly delegated for this purpose and with the support of the competent functions, shall formally challenge, by means of a specific written Disciplinary Notice, the disciplinary conduct of the employee concerned and shall invite him/her to communicate any justifications within 5 days of receipt of the said Notice.

The written Disciplinary Notice and any justifications by the employee concerned shall be promptly forwarded for information to the Supervisory Board, which may express a reasoned opinion on the seriousness of the breach and the sanctions to be applied.

After at least five days from the issue of the Disciplinary Notice, the CEO, with the support of the competent departments, taking into account the reasoned opinion – in any case not binding – of the SB, as well as any justifications of the employee, decides whether to impose a sanction among those provided for (written warning, suspension from work and from pay up to 6 working days, and dismissal), depending on the seriousness of the violation or the charge. Any penalties imposed must be promptly notified to the Supervisory Board.

The operation and correct application of the Protocols for the notification and sanctioning of disciplinary offences is constantly monitored by the Board of Directors and the SB.

#### **4.4.7. Penalties applicable to the recipients of case reports ("Whistleblowing")**

In the event of violation of *whistleblowing regulations*, in order to protect the identity of the whistleblower and the whistleblower from any acts of retaliation or discrimination, the Company may apply the following penalties in relation to the recipient of a case report:

- ***Supervisory Board***

If one of the members of the Supervisory Board violates the confidentiality of the identity of the whistleblower, the other members shall immediately inform the Board of Directors, so that the latter can proceed to revoke the appointment of the defaulting member and appoint his/her replacement.

If, on the other hand, it is ascertained that the confidentiality of the identity of the whistleblower has been breached by the Supervisory Board as a whole, the Board of Directors shall withdraw the appointment and consequently re-appoint the entire Supervisory Board, in addition to taking further legal provisions as applicable.

#### **4.4.8. Penalties applicable to third parties**

In the event of violation of the Model, the Company may

- notify the Recipient of the breach, with the simultaneous request for fulfilment of the obligations contractually undertaken and provided for by the Model, company procedures and the Snaitech Group Code of Ethics, if necessary, granting a time limit for the purpose or demanding immediate fulfilment;
- request compensation for damages equal to the amount received for the activity carried out in the period from the date of ascertainment of the violation of the recommendation to the actual fulfilment;
- immediately and automatically terminate the existing contract for serious breach, pursuant to Articles 1453 and 1455 of the Italian Civil Code.

#### **4.4.9. Register of violations**

The Company shall prepare a specific register of the breaches referenced in Paragraph 4.2 above, containing the names of the persons responsible for them and the sanctions adopted against them.

The register, kept by the human resources department of SNAITECH S.p.A., shall be constantly updated and available at any time to the Supervisory Body, the Board of Directors and the Board of Statutory Auditors.

In relations with third parties, the registration in this register implies the prohibition to establish new contractual relations with the parties concerned, unless otherwise decided by the Board of Directors.

### **5. Relationships with third parties**

Contracts in writing for collaboration, purchase of goods and/or provision of works or services by third parties must contain the clauses summarised below:

- Reciprocal clause (Italian Legislative Decree no. 231/2001), whereby the party
  - declares that it has received and taken note of the Organisation, Management and Control Model and the Code of Ethics of the other party,
  - undertakes to operate in compliance with the Model of Organisation, Management and Control and the Code of Ethics of the other party to the extent that these reproduce obligations or prohibitions imposed by law and each of the parties undertakes not to engage in behaviours that constitute the commission, even attempted, of the offences envisaged by Italian Legislative Decree no. 231/2001 and

- undertakes not to behave in such a way as to constitute the commission, even attempted, of the offences referred to in Italian Legislative Decree no. 231/2001.
- Intellectual property clause, by which the parties agree that
  - the intellectual property rights belonging to each party at the time of entering into the agreement shall remain the exclusive property of the original owner, and they expressly agree that, by entering into the agreement, it is not intended to transfer any such rights to the other party;
  - each party is and remains the sole owner of all intellectual property rights related to inventions, patents, trademarks, trade secrets and know-how relating to its computer systems, software and documentation and/or manuals pertaining thereto pursuant to the relevant provisions of law, even if developed and/or supplemented by the supplying party itself,
  - the supplying party agrees not to challenge any of the intellectual property rights that are and shall remain exclusively reserved to the other party and assigns to the latter any wider right of economic exploitation of the work created under the agreement, and
  - the supplying party acknowledges and accepts that any unauthorised use of the computer systems and/or software owned by the other party – or of the algorithms, protocols or interfaces pertaining thereto – will be prosecuted as a violation of the copyright of the said party and may result in the application of civil and criminal penalties.

## **6. Disclosure and training of company personnel**

The Model must be disclosed in the fullest possible manner in order to ensure that the Recipients are made aware of the procedures and controls that they must follow to properly perform their duties or contractual obligations entered into with the Company.

SNAITECH's goal is to inform about the contents and principles of the Model the Recipients of the same and the Third Parties, who operate to achieve the objectives of the Company by virtue of contractual relationships.

To this end, the Snaitech Group Model and the Code of Ethics are accessible on the corporate website and intranet by all Senior Management Figures, Subordinates and third parties.

As regards Third Parties, the Company requires compliance with the provisions imposed by Italian Legislative Decree no. 231/2001 and with the ethical principles adopted by the Company; they shall do so by reading this Model, with a view to complying with the rules laid down in no. 231/2001 and the ethical principles adopted by the Company.

Disclosure and training activities are supervised by the SB, using the relevant structures which are assigned, among others, the tasks of

- promoting initiatives for the dissemination of knowledge and understanding of the Model, of the contents of Italian Legislative Decree 231/01 and of the impact of the legislation on SNAITECH's business;
- promoting staff training and awareness of the principles contained in the Model;
- promoting and coordinating initiatives aimed at facilitating the knowledge and understanding of the Model by the Recipients.

The training activity is aimed at promoting knowledge of the regulations referenced in Italian Legislative Decree 231/01 as well as the whistleblowing regulations, also with a view to developing a sound corporate culture. This knowledge implies that an exhaustive overview of the legislation itself is provided, including the practical implications arising therefrom and the contents and principles on which the Model itself is based. All Senior Management Figures and Subordinates are therefore required to know, observe and comply with these contents and principles, contributing to their implementation.

To ensure the effective knowledge of the Model, of the Snaitech Group's Code of Ethics and the Company's Controls to be adopted for a proper performance of activities, specific mandatory training activities are therefore planned for SNAITECH's Senior Management and Subordinates; it shall be delivered in different ways, depending on the Recipients and in line with the methods of delivery of training plans in use at the Company.

In order to ensure a widespread dissemination and effective knowledge of this Model and of the Snaitech Group Code of Ethics, the Company has the duty to carry out a thorough communication and training activity towards all Recipients, in order to make them aware of the requirements they must comply with and of the possible consequences that may result in the occurrence of unlawful conduct.

With regard to new recruits, training shall be given in a timely manner, providing them with a set of information (e.g. Code of Ethics, Model, Decree, etc.), in order to ensure that they are provided with the primary knowledge considered essential to operate within the Company.

The contents and principles contained in the General Section of the Model and the Snaitech Group Code of Ethics shall also be communicated to third parties, who operate – even occasionally – for the achievement of the Company's objectives by virtue of contractual relations.

It is the Company's task to implement and formalise specific training plans, with the aim of ensuring that all recipients of the Decree, the Code of Ethics and the Model are aware of the Decree.

Training for the purposes of implementing the Model is mandatory for all Addressees and is operationally entrusted to the Human Resources and Organisation Department. The Supervisory Board is, on the other hand, entrusted with the task of ensuring that training programmes are effectively delivered by the aforementioned Department to all Company employees.

Training activities are differentiated, in terms of content and delivery methods, according to the qualification of the recipients, the risk level of the area in which they operate and whether they have representative roles in the Company.

All training programmes shall comprise a common minimum content base consisting of an illustration of the principles of Italian Legislative Decree no. 231/2001, the elements of the Model and of the individual offences envisaged by Italian Legislative Decree 231/2001 and of the conduct considered sensitive in relation to the commission of the aforementioned offences.

Participation in the training programmes described above is compulsory and the Company guarantees the provision of means and methods that always ensure the traceability of training initiatives and the formalisation of participants' attendance, the possibility of assessing their learning level and the evaluation of their level of satisfaction with the course, in order to develop new training initiatives and improve those under way, also through comments and suggestions on content, material, teachers, etc. Unjustified non-participation in training programmes will result in a disciplinary action.

The training, which may also take place remotely or through the use of computer systems, and whose contents are assessed by the Supervisory Board, shall be given by experts in the disciplines dictated by the Decree and the contents of the training material are updated in relation to changes in legislation (e.g. introduction of new cases of predicate offences) and in the content of the Model (e.g. adoption of new special sections).