Text approved by resolution of the Board of Directors dated 3 November 2014 and most recently updated on 17 March 2023

Organisation, Management and Control Model of epiqa S.r.l. for the purposes of Legislative Decree 231/01

Legislative Decree 231/01
Organisation, Management and Control Model of epiqa S.r.l.

CONTENTS

DEFINITIONS

The words and expressions marked in this document with an initial capital letter have the meaning specified below:

"**Areas at Risk**":	the Areas of activity and corporate processes at direct risk or instrumental to the commission of crimes;
"**Management Audits**":	the system of proxies, procedures and internal controls whose purpose is to guarantee adequate transparency and knowledge of the decision-making processes, as well as the behaviours that the Top Managers and Subordinates, operating in the corporate areas, must keep;
"**Recipients**":	Corporate Bodies, Personnel - Top Managers and Subordinates - and Third Parties;
"**L. Decree 231/2001**" or the "**Decree**":	L. Decree 8 June 2001, no. 231;
"**Document**":	this document;
"**Guidelines**":	the guidelines, approved by Confindustria on 7 March 2002 and most recently updated in June 2021, for the creation of the Organisation, Management and Control Models *pursuant to* L. Decree no. 231/01;
"**Model**":	this Document, the Special Parts (A, B, B1, C, D, E, F, G, H, I, L and M), the Penalty System, the Code of Ethics of the Snaitech Group and the Management Audits. As a consequence, the term Model must be understood not only as this Document, but also as all other documents that will subsequently be adopted;
"Policy"	Documents that define the duties and responsibilities of SNAITECH S.p.A. and of the other companies of the Group in pursuing a company policy oriented towards lawfulness and fairness (e.g.: Anti-Corruption Policy, Responsible and Safe Gaming Policy).
"**SB**" or "**Supervisory Body**":	the body appointed in compliance with art. 6 of L. Decree no. 231/2001 and having the tasks indicated therein;

"**Crimes against Public Administration**":	offences *pursuant to* articles 24 and 25 of L. Decree no. 231/01;
"**Cybercrimes"**:	crimes *pursuant to* art. 24-*bis* of L. Decree no. 231/01;
"**Corporate Crimes**":	crimes *pursuant to* art. 25-*ter* of L. Decree no. 231/2001;
"**Crimes against Occupational Health and Safety**":	crimes *pursuant to* art. 25-*septies* of L. Decree no. 231/2001;
"**Crimes of receiving, laundering and using money, goods or utilities of illicit origin, as well as self-laundering**":	crimes *pursuant to* art. 25-*octies* of L. Decree no. 231/2001;
"Crimes relating to payment instruments other than cash":	crimes pursuant to art. 25-*octies*.1 of L. Decree no. 231/2001;
"Copyright infringement":	crimes *pursuant to* art. 25 - *novies* of L. Decree no. 231/2001;
"Crime of incitement to not testify or to bear false testimony to the judicial authority":	crimes pursuant *t*o art. 25-*decies* of L. Decree no. 231/2001;
"Environmental Crimes"	crimes pursuant to art. 25-*undecies* of L. Decree no. 231/2001;
"Crime of employment of third-country nationals who are illegally staying"	crimes pursuant to art. 25-*duodecies* of L. Decree no. 231/2001;
"Racist and xenophobic hate crimes"	crimes pursuant to art. 25-*terdecies* of L. Decree no. 231/2001
"Fraud in sporting competitions, illegal gaming or betting and games of chance performed using prohibited devices"	crimes pursuant to art. 24-*quaterdecies* of L. Decree no. 231/01
"Tax crimes"	
"Contraband"	crimes pursuant to art. 25-*quinquiedecies* of L. Decree no. 231/01.
"Crimes against cultural heritage"	The crimes pursuant to art. 25 - sexiesdecies of L. Decree n.231/01.
"Laundering of cultural heritage and	

devastation and looting of cultural and landscape heritage"	The crimes pursuant to art. 25 - *septiesdecies* of L. Decree no. 231/01
"**Snaitech Group Code of Ethics"**:	The crimes pursuant to art. 25 - *duodevicies* of L. Decree no. 231/01
	the document which defines the fundamental principles of the Snaitech Group to which epiqa s.r.l. is inspired by and intends to standardise its activity, adhering to the fundamental values of fairness and transparency that inspire the activity of the entire SNAITECH Group;
"Document archive":	the document archive, accessible to Top Managers and Subordinates, containing the documents connected to this Document;
"**Company**":	epiqa S.r.l.;
"**Penalty System**":	the disciplinary system and the related sanctioning mechanism to be applied in case of violation of the Model;
"**Top Managers**":	in compliance with art. 5 of L. Decree no. 231/2001, persons who hold representation, administration or management functions of the institution 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 same;
"**Subordinates**":	in compliance with art. 5 of L. Decree no. 231/2001, and on the basis of the prevailing literature, employees and non-employees, subject to the management or supervision of one of the Top Managers;
"**Third parties**"	All external subjects: consultants, contractual counterparts, suppliers, customers, partners (where present), as well as all those who, although external to the company, operate, directly or indirectly, for epiqa S.r.l.

1. THE ADMINISTRATIVE LIABILITY OF INSTITUTIONS

1.1 The legal regime of administrative liability of legal persons, companies and associations

L. Decree 8 June 2001, no. 231 (hereinafter also referred to as the "Decree"), concerning the "Discipline of the administrative liability of legal persons, companies and associations even without legal personality" introduced the liability of institutions into the Italian legal system.

This Decree adapted the Italian legislation on the liability of legal persons to some international conventions previously undersigned by Italy, such as the Brussels Conventions of 26 July 1995 and 26 May 1997 on the protection of the financial interests of the European Union and on the to the bribery of public officials of both the European Union and the Member States, as well as the OECD Convention of 17 December 1997 on the fight against bribery of foreign public officials in economic and international transactions.

Therefore, L. Decree no. 231/2001 fits into a context of implementation of international obligations and - aligning itself with the regulatory systems of many European countries - establishes the responsibility of the *societas*, considered as an autonomous centre of interests and juridical relationships, a point of reference for precepts of various nature, and matrix for decisions and activities of the subjects who operate in the name, on behalf or in any case in the interest of the institution.

The establishment of the administrative liability of companies arises from the empirical consideration that, frequently, the unlawful conduct within the company, far from being the result of a private initiative by the individual, rather falls within the scope of a widespread *company policy* and results from decisions made by Top Managers of the institution itself.

The provisions of the Decree apply, by express provision of art. 1 of the same, to the following "subjects" (hereinafter the "Institutions"):

- ✓ *institutions with legal personality;*
- ✓ *companies and associations, also without legal status.*

With reference to the nature of the administrative liability of Institutions in compliance with the Decree, the explanatory report to the Decree underlined that it is a "*tertium genus that combines the essential features of the criminal and administrative systems in an attempt to reconcile the reasons for the preventive efficacy with those, even more unavoidable, of the maximum guarantee*".

Such legislation is the result of a legislative technique which, by borrowing the principles of the criminal offence and administrative offence, has introduced into our legal system a punishment system for corporate offences, which is added to and integrated with the existing sanctioning systems.

The Institution's administrative liability is independent of that of the natural person who commits the offence: in fact, the Institution is not deemed exempt from liability even if the perpetrator of the crime has not been identified or is not chargeable, or if the offence expires for reasons other than amnesty (art. 8 of the Decree).

In any case, the Institution's liability adds to and does not replace that of the natural person who committed the offence.

As for the subjects, the Legislator, in art. 5 of L. Decree no. 231/2001, provides for the institution's liability if the offence is committed by:

- *the "**Top Managers**";*
- *the **Subordinates**".*

Liability may arise pursuant to L. Decree no. 231/2001 against the Company not only for crimes committed by Top Managers and Subordinates, but also by Third Parties.

For the purposes of stating the institution's liability, in addition to the existence of the aforementioned requirements that allow the crime to be objectively linked to the institution, the Legislator also requires that the institution's guilt is ascertained. This subjective requirement is identified with an *organisational fault*, understood as a violation of adequate rules of diligence self-imposed by the institution itself and aimed at preventing the specific risk deriving from a crime.

1.2 The criteria for attributing liability to the Institution and exemptions from liability

If one of the predicate offences (illustrated in paragraph 1.3 below) is committed, the Institution is liable only if certain conditions occur, defined as criteria for attributing the offence to the Institution and which are divided into "***objective***" and "***subjective***".

The first objective condition is that the predicate offence has been committed by a person linked to the Institution by a qualified relationship. Art. 5 of the Decree, in fact, indicates as perpetrators of the crime:

- ***subjects who hold representation, administration or management functions of the Institution or of one of its organisational units with financial and functional autonomy or subjects who de facto exercise the management and control of the Institution*** *(so-called Top managers);*

- ***Subjects under the management or supervision of top managers*** *(so-called Employees od Subordinates, non-executive personnel).*

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*" (art. 5, par. 1 of the Decree):

- ✓ the "***interest***" subsists when the perpetrator of the crime acted with the intention of favouring the Institution, regardless of the fact that this objective was subsequently achieved;

- ✓ the "***advantage***" subsists when the Institution has obtained, or could have obtained, a positive result from the crime, not necessarily of an economic nature.

By express will of the Legislator, the Institution is not liable in the event that the Top Managers or Employees have acted "*in their own exclusive interest or that of third parties*" (art. 5, par. 2 of the Decree).

The criterion of "*interest or advantage*", consistent with the direction of the will of intentional crimes, is in itself not compatible with the unintentional structure of the predicate offences envisaged by art. 25-septies of the Decree (manslaughter and injuries through negligence).

In the latter cases, the unintentional component (which implies the lack of will) would lead to the exclusion of the possibility of configuring the predicate offence in the interest of the institution. However, the most accredited interpretative thesis considers the circumstance that non-compliance with the accident-prevention legislation constitutes an objective advantage for the institution (at least in terms of lower costs deriving from the aforementioned non-compliance) as a criterion for the attribution of unintentional crimes. It is therefore clear that non-compliance with the accident prevention regulations is advantageous for the institution.

As regards the subjective criteria for attributing the crime to the Institution, they establish the conditions on the basis of which the crime is "attributable" to the Institution: to avoid the offence being attributed to it from a subjective point of view, the Institution must demonstrate that they have done everything in their power to organise themselves, manage themselves and check that one of the predicate offences listed in the Decree cannot be committed in the exercise of its business activity.

For this reason, the Decree provides that the Institution's liability can be excluded if, before the commission of the act:

- ✓ *Organisation and Management Models suitable for preventing the commission of crimes are prepared and implemented;*
- ✓ *a control body (Supervisory Body) is established, with powers of autonomous initiative with the task of supervising the functioning of the organisation models.*

In the event of crimes committed by persons in senior positions, the Legislator has provided for a presumption of guilt for the Institution, in consideration of the fact that the top managers express, represent and implement the management policy of the Institution itself: the responsibility of the Institution is excluded only if the latter demonstrates that the offence was committed by fraudulently circumventing the existing Organisation, Management and Control Model (hereinafter the "Model") and that there has been insufficient control by the Supervisory Body (hereinafter "SB"), specifically responsible for supervising the correct functioning and effective compliance with the Model itself (Article 6 of the Decree).[1] In case of these hypotheses, therefore, the Decree requires proof of innocence, since the Institution must prove a malicious deception of the Model by the Top Managers.

However, in the case of an offence committed by the employee, the Institution will be held liable only if the commission of the offence was made possible by failure to comply with the management and supervisory obligations: in this case, the Institution's exclusion of liability is subject to, in essence, the adoption of behavioural protocols that are appropriate, for the type of organisation and activity carried out, to ensure that the activity is carried out in compliance with the law and to promptly discover and eliminate risk situations (art. 7, par. 1 of the Decree).[2] In this case, it is a matter of a real "*organisational fault*", since the Institution has indirectly consented to the commission of the crime, not adequately supervising the activities and the subjects at risk of committing a predicate crime.

1.3 Offences and crimes that determine administrative liability

Originally envisaged for Crimes against Public Administration or against the assets of the Public Administration, the liability of the institution has been extended – as a result of the regulatory provisions subsequent to L. Decree no. 231/2001 – to numerous other crimes and administrative offences.

In particular, the administrative liability of institutions may arise from the following administrative offences:

i) Crimes against Public Administration (articles 24 and 25 of L. Decree no. 231/01); both articles have undergone numerous changes and additions over time, the last of which - with respect to the period of time in which this Model is issued - by L. Decree no.75 of 14 July 2020, which included in the catalogue of crimes of the Decree the incriminating cases of fraud in public supplies, fraud in

[1] In compliance with art. 6, paragraph 1, L. Decree 231/2001, "*if the offence was committed by the persons indicated in article 5, paragraph 1, letter a)* [the top managers], *the institution is not liable if it proves that: a) the management body has adopted and effectively implemented, before the offence was committed, organisation and management models suitable for preventing crimes of the type that occurred; b) the task of supervising the functioning and observance of the models and their updating has been entrusted to a body of the institution with independent powers of initiative and control; c) the persons committed the crime by fraudulently eluding the organisation and management models; d) there was no omitted or insufficient supervision by the body referred to in letter b)*".

[2] In compliance with art. 7, paragraph 1, L. Decree 231/2001, "*In the case envisaged by art. 5, paragraph 1, letter b)* [Employees], *the institution is liable if the commission of the offence was made possible by failure to comply with management and supervisory obligations*".

agriculture, embezzlement and abuse of office (limited to cases in which the financial interests of the European Union are offended); furthermore, with L. Decree 25 February 2022 no. 13, containing "Urgent measures to combat fraud and for safety in the workplace in the construction sector, as well as on electricity produced by plants from renewable sources" (so-called Fraud Decree) changes have been made to some of the predicate cases referred to in art. 24 of L. Decree 231/2001 (in particular, the description of the conduct has been extended which integrates the details of the crime of embezzlement in compliance with article 316-*bis* of the Italian Criminal Code, now entitled "*embezzlement of public funds*", and of the crime under art. 316-*ter* of the Italian Criminal Code, now entitled "*misappropriation of public funds*"; moreover, the object of the crime of aggravated fraud for obtaining public funds has been expanded (art. 640-*bis* of the Italian Criminal Code) by including subsidies in addition to contributions, loans, subsidized mortgages and other disbursements; for this crime, the confiscation of money, goods and other utilities is also envisaged in Article 240 bis of the Italian Criminal Code). Lastly, L. Decree no. 156 of 4 October 2022 made further amendments to art. 322-*bis* of the Italian Criminal Code and in art. 2 Law 898/1986 (Fraud against the European Agricultural Fund);

ii) Cybercrimes and unlawful data processing, introduced by article 7 of the Law of 18 March 2008, no. 48, which has included in L. Decree no. 231/01 article 24-*bis.* This last article has undergone a modification following the issue of D.L. 21 September 2019 no. 105 (converted with Law No. 133 of 18 November 2019) which introduced the criminal offences in compliance with art. 1 paragraph 11 of the aforementioned Decree-Law to protect the so-called *cybersecurity.* On 1 February 2022, Law no. 238/2021, containing "Provisions for the fulfilment of the obligations deriving from Italy's membership of the European Union - European Law 2019-2020", with which changes were made to some cases of the Italian penal code (articles 615-*quater*, 615-*quinquies*, 617-*quater*, 617-*quinquies*) which constitute predicate offences pursuant to art. 24-*bis* of L. Decree 231/2001;

iii) Offences by Organised Crime, introduced by article 2, paragraph 29, of Law dated 15 July 2009 no. 94, which included, in L. Decree no. 231/01, article 24-*ter*;

iv) Crimes relating to forgery of money, legal tenders, revenue stamps and instruments or identification marks, introduced by article 6 of Law dated 23 November 2001, no. 406, which included, in L. Decree no. 231/01, article 25-*bis*, as amended by article 15, paragraph 7, lett. a), of the Law dated 23 July 2009, no. 99;

v) Crimes against industry and commerce, introduced by article 15, paragraph 7, lett. b), of Law dated 23 July 2009, no. 99, which included, in L. Decree no. 231/01, article 25-*bis*.1;

vi) Corporate Crimes, introduced by L. Decree dated 11 April 2002, no. 61, which included, in L. Decree no. 231/01, article 25-*ter* also as amended by law 190/12;

vii) Crimes for the purpose of terrorism or subversion of the democratic order, introduced by Law dated 14 January 2003 no. 7, which included, in L. Decree no. 231/01, article 25-*quater*;

viii) Crimes of female genital mutilation, introduced by Law dated 9 January 2006 no. 7, which included, in L. Decree no. 231/01, art. 25-Quater.1*quater*.1;

ix) Crimes against the Individual, introduced by Law dated 11 August 2003, no. 228, which included, in L. Decree 231/01, article 25-*quinquies*, amended by Law 38/2006 and, subsequently, by Law 199/2016, which introduced the case relating to illegal hiring, pursuant to art. 603- *bis* of the Italian Criminal Code Furthermore, on 1 February 2022, Law no. 238/2021, containing "Provisions for the fulfilment of the obligations deriving from Italy's membership of the European Union - European Law 2019-2020", with which changes were made to some cases of the penal code (articles, 600-*quater* and 609-*undecies*) which constitute predicate offences pursuant to art. 25-*quinquies*.

x) Insider trading and market manipulation crimes envisaged by Law dated 18 April 2005 no. 62, which included, in L. Decree no. 231/01, article 25-*sexies*. Even the cases referred to in Articles 184 and 185 TUF, which constitute a predicate offence pursuant to this article, have been amended by Law no. 238/2021;

xi) Crimes of manslaughter and grievous or very grievous bodily harm, committed in violation of accident prevention and worker health and safety regulations, introduced by Law dated 3 August 2007, no. 123, which included, in L. Decree no. 231/01, article 25-*septies*;

xii) Crimes of receiving, laundering and using money, goods or utilities of illicit origin, as well as self-laundering, introduced by L. Decree 21 November 2007, no. 231, which included, in L. Decree no. 231/01, article 25-*octies* (the crime of self-laundering, on the other hand, was introduced with Law 186/2014); the crimes in question were modified following the entry into force of L. Decree dated 8 November 2021 no. 195 implementing the European Directive 2018/1673 on the fight against money laundering;

xiii) Crimes relating to payment instruments other than cash, introduced by article 3, paragraph 1, lett. a), of L. Decree dated 8 November 2021, no. 184, which included, in L. Decree 231/01, art. 25-octies.1; in particular, the administrative liability of institutions is extended to the crimes referred to in articles 493-*ter*, 493-*quater*, 640-*ter* of the Italian Criminal Code, in the hypothesis aggravated by a transfer of money, monetary value or virtual currency;

xiv) Crimes relating to copyright infringement, introduced by article 15, paragraph 7, lett. c), of Law dated 23 July 2009, no. 99, which included, in L. Decree no. 231/01, article 25-*novies*;

xv) Crime of incitement to not testify or to bear false testimony to the judicial authority, introduced by art. 4 of the Law dated 3 August 2009, no. 116, which included, in L. Decree no. 231/01, article 25-*decies*;

xvi) Environmental crimes, introduced by art. 2 of L. Decree no. 121 of 7 July 2011, which included, in L. Decree 231/01, article 25-*undecies.*

xvii) Crime of employment of third-country nationals who are illegally staying, introduced by L. Decree 16 July 2012, no. 109, containing the "Implementation of directive 2009/52/EC which introduces minimum standards relating to sanctions and measures against employers who employ third-country nationals whose stay is irregular", which has included in L. Decree no. 231/01 article 25-*duodecies;*

xviii) Racist and xenophobic hate crimes, introduced by law 20 November 2017 no. 167 containing *"Provisions for the fulfilment of obligations deriving from Italy's membership of the European Union - European Law 2017"*, which included, in L. Decree 231/01, art. 25 *terdecies*;

xix) Transnational crimes, introduced by Law no. 146 of 16 March 2006 "Law for the ratification and implementation of the United Nations Convention and Protocols against Transnational Organised Crime";

xx) Fraud in sporting competitions, illegal gaming or betting and games of chance performed using prohibited devices, introduced by Law 3 May 2019, no. 39 containing the "Ratification and execution of the Council of Europe Convention on sports manipulation, made in Magglingen on 18 September 2014";

xxi) Tax crimes introduced by D.L. on tax no. 124/2019, converted with Law 19 December 2019 no. 157, which included, in L. Decree 231/01, article 25 *quinquiesdecies*; this last article was modified by L. Decree no.75 of 14 July 2020, which included further criminal-tax cases in the catalogue of crimes pursuant to Decree 231/2001; moreover, L. Decree no. 156 of 4 October 2022 made changes

to the heading of art. 25-*quinquiesdecies* as well as the cases referred to in articles 2, 3, 4 and 6 of L. Decree 74/2000;

xxii) Contraband introduced by L. Decree no. 75 of 14 July 2020, which included article 25 *sexiedecies;*

xxiii) Crimes against cultural heritage as well as Laundering of cultural heritage and devastation and looting of cultural and landscape heritage, introduced by Law no. 22 of 9 March 2022, which included, in L. Decree 231/2001, articles 25 *septiesdecies* and 25 *duodevicies.*

1.4 The penalties envisaged by the Decree to be paid by the institution

The penalties envisaged by L. Decree no. 231/01 for administrative offences depending on crime are the following:

- ***administrative pecuniary penalties;***
- ***disqualification sanctions;***
- ***confiscation;***
- ***publication of the verdict.***

The ***pecuniary administrative sanction***, governed by articles 10 ey seq. of the Decree, constitutes the "basic" sanction of necessary application, whose payment is the institution's responsibility with its assets or with the shared fund.

The Legislator has adopted an innovative criterion for the proportioning of the sanction, attributing to the Judge the obligation to proceed with two different and successive operations of appreciation. This entails a greater adjustment of the sanction to the seriousness of the fact and to the economic conditions of the institution.

The first assessment requires the Judge to determine the number of shares (in any case not less than one hundred, nor more than one thousand) taking into account:

- the seriousness of the fact;
- the degree of responsibility of the institution;
- of the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offences.

During the second assessment, the Judge shall determine, within the minimum and maximum predetermined values in relation to the offences sanctioned, the value of each share, from a minimum of Euro 258.00 to a maximum of Euro 1,549.00. This amount is fixed "*on the basis of the economic and financial conditions of the institution, in order to ensure the effectiveness of the sanction*" (articles 10 and 11, paragraph 2, L. Decree no. 231/01).

As stated in point 5.1. of the Report to the Decree, *"As regards the procedures for ascertaining the economic and patrimonial conditions of the institution, the judge may make use of the financial statements or other records in any case suitable to ascertain these conditions. In some cases, the proof may also be obtained by taking into account the size of the institution and its position on the market. (...). The Judge cannot help but become familiar, with the help of consultants, in the reality of the company, where they can also obtain information relating to the economic, financial and patrimonial solidity of the institution".*

Article 12, L. Decree no. 231/01, provides for a series of cases in which the pecuniary sanction is reduced. They are schematically summarised in the following table, with an indication of the reduction made and the conditions for the application of the reduction itself.

Reduction	***Assumptions***
1/2 (and in any case cannot be higher than Euro 103,291.00)	• The perpetrator of the crime committed the act mainly in their own interest or that of third parties *and* the Institution did not obtain an advantage from it or did obtain a minimal advantage from it; *or* • The pecuniary damage caused is of a particularly non-serious nature.
1/3 to 1/2	[Before the opening statement of the first instance hearing] • The Institution has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has in any case taken effective steps in this direction; *or* • An organisation model suitable for preventing crimes of the type that occurred was implemented and made operational.
1/2 to 2/3	[Before the opening statement of the first instance hearing] • The Institution has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has in any case taken effective steps in this direction; • An organisation model suitable for preventing crimes of the type that occurred was implemented and made operational.

The ***disqualification sanction*** envisaged in the Decree are those listed below and apply only in relation to the crimes for which they are expressly provided for in this legislation:

- disqualification from the exercise of the corporate activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition to contract with the Public Administration, except to obtain the performance of a public service;
- exclusion from concessions, loans, contributions and subsidies, and/or the revocation of those already granted;
- prohibition to advertise 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, L. Decree no. 231/01, i.e.:

- ✓ "*the institution obtained a significant profit from the crime and the crime was committed by persons in top positions or by subjects under the direction of others when, in this case, the commission of the crime was determined or facilitated by serious organisational shortcomings*"; or
- ✓ "*in the event of repetition of the offences*"[3].

In any case, *disqualification sanctions* are not applied when the crime was committed in the prevailing interest of the perpetrator or of third parties and the institution obtained a minimal or no advantage from it, or the pecuniary damage caused is of particularly non-serious nature.

[3] In compliance with Article 20 of L. Decree no. 231/01, "*there is recurrence when the institution, already definitively convicted at least once for an offence dependent on a crime, commits another in the five years following the definitive conviction*".

The implementation of disqualification sanctions is also excluded by the fact that the institution has implemented the remedial conduct envisaged by article 17, L. Decree no. 231/01 and, more precisely, when the following conditions are met:

- ✓ *"The institution has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has in any case taken effective steps in this direction*";
- ✓ "*the institution has eliminated the organisational shortcomings that led to the crime through the adoption and implementation of organisation models suitable for preventing crimes of the type that occurred*";
- ✓ "*the institution has made the profits made available for confiscation purposes*".

The ***disqualification*** sanctions have a duration of no less than three months and no more than two years and the choice of the measure to be applied and its duration is made by the Judge, on the basis of the criteria previously indicated for the measurement of the pecuniary sanction, "*taking into account the suitability of individual sanctions to prevent offences of the type committed*" (art. 14, L. Decree no. 231/01).

The Legislator then took care to clarify that the disqualification from exercising the activity has a residual nature compared to the other disqualification sanctions.

With reference to disqualification sanctions, it is necessary to expressly mention the amendments made to the law of 9 January 2019, no. 3, which introduces an exceptional regime with regard to some crimes against the Public Administration: as currently envisaged by art. 25, ch. 5 of L. Decree 231/2001, in the event of conviction for one of the crimes indicated in paragraphs 2 and 3 of the same art. 25, the disqualification sanctions in compliance with art. 9 c. 2 are applied for a duration of not less than four and not more than seven years, if the offence was committed by the persons referred to in art. 5 c. 1 lit. a) - that is, by those who hold representation, administration or management functions of the institution or of one of its organisational units with financial and functional autonomy, as well as by persons who de facto exercise the management and control of the institution – and for a duration of no less than two and no more than four years, if the offence was committed by individuals in compliance with art. 5 c. 1 lit. b) – that is, by those who are subject to the management or supervision of the persons referred to in letter a) above.

However, the 2019 news also introduced paragraph 5 *bis*, which provides that disqualification sanctions are imposed for the common duration envisaged by art. 13 c. 2 (term of no less than three months and no more than two years) in the event that, before the first instance sentence, the institution has effectively taken steps:

a) to prevent the criminal activity from being led to further consequences;

b) to ensure evidence of crimes;

c) to identify those responsible;

d) to ensure the seizure of the sums or other benefits transferred;

or

e) has eliminated the organisational deficiencies that made it possible to verify the crime through the implementation of organisation models suitable for preventing crimes of the type that occurred.

Pursuant to article 19, L. Decree no. 231/01, with the conviction sentence, the ***confiscation*** - even by equivalent - of the ***price*** (money or other economic benefit given or promised to induce or cause another person to commit the crime) or of the ***profit*** (economic benefit immediately obtained) of the crime, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith.

The ***publication of the verdict*** in one or more newspapers, an excerpt or in full, can be ordered by the Judge, together with the posting in the municipality where the institution has its headquarters, when a disqualification sanction is applied. The publication is carried out by the Registry of the competent Judge and at the expense of the institution.

2. THE IMPLEMENTATION OF THE MODEL

2.1 The implementation of the organisation and management model for the purpose of exempting administrative liability

Article 6 of L. Decree no. 231/2001 provides that, if the crime was committed by one of the persons indicated by the Decree, the institution is not liable if it proves that:

a) before the crime was committed, the management body adopted and effectively implemented organisational and management models suitable for preventing crimes of the type that occurred;
b) the task of supervising the functioning and compliance with the models and of updating them has been entrusted to a body of the institution with independent powers of initiative and control;
c) people committed the crime by fraudulently eluding the organisation and management models;
d) there was no omitted or insufficient supervision by the body referred to in letter b)[4].

Article 7 of L. Decree no. 231/01 also establishes that, if the offence is committed by subjects under the supervision of a top manager, the institution's liability exists if the commission of the offence was made possible by failure to comply with management and supervisory obligations. However, non-compliance with these obligations is excluded, and with it the institution's liability, if before thecommission of the crime, the institution itself adopted and effectively implemented a Model suitable for preventing crimes of the type that occurred.

It should also be noted that, in the hypothesis outlined by art. 6, (fact committed by top managers) the burden of proving the existence of the exempting situation lies with the Institution, while in the case indicated by art. 7 (deed committed by subjects under the supervision of others), the burden of proof regarding the non-compliance, or the non-existence of the models or their unsuitability, lies on the prosecution.

The mere adoption of the Model by the management body - which is to be identified in the body holding management power - the Board of Directors - does not, however, appear to be a sufficient measure to determine the institution's exemption from liability, since it is rather necessary that the Model is *effective* and *operative*.

As for the effectiveness of the Model, the Legislator, in art. 6 paragraph 2 L. Decree no. 231/2001, states that the Model must meet the following requirements:

a) identify the activities in which crimes may be committed (the so-called "mapping" of risk activities);
b) provide for specific protocols aimed at planning the formation and implementation of the institution's decisions in relation to the crimes to be prevented;
c) identify methods of managing financial resources suitable for preventing the commission of crimes;
d) establish information obligations towards the body responsible for supervising the functioning and observance of the models;
e) introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model.

[4] The law of 12 November 2011, no. 183 containing "Provisions for the formation of the annual and multi-annual state budget", also known as the 2012 Stability Law, has added, in art. 6 of L. Decree no. 231, paragraph 4-bis, according to which *"In joint-stock companies, the board of statutory auditors, the supervisory board and the management control committee may perform the functions of the supervisory body referred to in paragraph 1, letter b)"*.

2.2 The sources of the Model: Confindustria Guidelines

Upon express indication of the delegated Legislator, the models can be implemented on the basis of codes of conduct drawn up by associations representing the category which have been communicated to the Ministry of Justice which, in agreement with the competent Ministries, can formulate observations on the suitability of the models to prevent crimes within 30 days.

The preparation of this Model is inspired by the Guidelines approved by Confindustria on 7 March 2002 and most recently updated in June 2021.

The path indicated by the Guidelines for the elaboration of the Model can be summarised according to the following fundamental points:

a) identification of areas at risk;
b) preparation of a control system capable of reducing risks through the implementation of appropriate protocols. In support of this, the coordinated set of organisational structures, activities and operating rules applied - on the indication of the Top Managers - by the *management* aimed at providing reasonable security regarding the achievement of the purposes included in a good internal control system.

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

- ✓ ***Code of Ethics;***
- ✓ ***Organisational System;***
- ✓ ***Manual and IT procedures;***
- ✓ ***Powers of authorisation and signature;***
- ✓ ***Control and management systems;***
- ✓ ***Personnel communication and training.***

epiqa has therefore proceeded to detect and analyse the corporate control measures - the Code of Ethics, the Organisational System, the System for attributing authorisation and signature powers, the Control System, communication initiatives to personnel and training, as well as the existing procedures deemed relevant for the purposes of the assessment.

Therefore, given that the Model must be suitable for preventing the crimes envisaged by the Decree, in a logic of "overall" risk management, epiqa has also enhanced the synergy with the "*information security management system*" pursuant to the UNI EN standard ISO 27001, for which epiqa has obtained the relative certification.

The control system must also conform to the following principles:

- verifiability, traceability, consistency and congruence of each operation;
- separation of functions (no one can autonomously manage all phases of a process);
- documentation of controls;
- introduction of an adequate penalty system for violations of the rules and procedures envisaged by the Model.

2.3 epiqa Model

In order to guarantee conditions of lawfulness, fairness and transparency in carrying out its activity, epiqa S.r.l. (hereinafter referred to as "epiqa" or "Company") has decided to define its own Organisation, Management and Control Model (hereinafter also referred to as "Model") according to the Decree.

Therefore, the Model is addressed to all those who work with the Company, who are required to know and comply with the provisions contained therein.

In particular, the recipients of the Model are:

i. the Corporate Bodies (the administrative body, the delegated bodies, the board of statutory auditors/Sole Auditor, as well as any person who exercises, even de facto, the powers of representation, decision-making and/or control within the Company) and the Independent Auditors;
ii. the Personnel (i.e. employees, para-subordinate workers and coordinated and permanent collaborators, etc.) of the Company;
iii. Third parties: namely: consultants, contractual counterparties, suppliers, customers, partners (where present), as well as all those who, although external to the company, operate directly or indirectly for epiqa.

- ***Corporate Bodies and Personnel***

  The Directors, Statutory Auditors, Independent Auditors and epiqa Personnel are recipients of the Model and must comply with the provisions contained therein.

  With regard to the determination of the Institution's liability, the company directors, statutory auditors, managers and personnel who, even de facto, carry out management activities even though they are not managers are considered Top Managers, while non-executive employees are considered Subordinates under the direction of others.

- ***Third Parties***

  In particular, these are all subjects who do not hold a "top" position in the terms specified in the previous paragraphs and who are in any case required to comply with the Model by virtue of the function performed in relation to the corporate and organisational structure of the Company: for example, as they are functionally subject to the management or supervision of a "top" manager, or as they operate, directly or indirectly, for epiqa.

  Within this category, the following may be included:

  - all those who maintain an employment relationship of a non-subordinate nature with epiqa (e.g. Collaborators to projects, consultants, temporary workers);
  - collaborators, in any capacity;
  - all those who act in the name and/or on behalf of the Company;
  - the subjects to whom they are assigned, or who in any case perform specific functions and tasks in the field of health and safety in the workplace (e.g. Occupational Physicians and, if external to the company, the Managers and Persons in charge of the Prevention and Protection Service);
  - suppliers and partners.

  The third parties thus defined must also include those who, although they have a contractual relationship with another company of the Group, essentially operate in the sensitive areas of activity on behalf of or in the interest of epiqa.

epiqa believes that adopting this Model, as well as issuing a Code of Ethics, constitutes, beyond the provisions of the law, a further valid tool for raising awareness of all employees and all those who in various capacities collaborate with the Company , in order to ensure correct and transparent behaviour in the performance of its activities, in line with the ethical-social values which inspire the Company in the pursuit of its corporate purpose, and in any case such as to prevent the risk of committing the contemplated crimes From law.

In relation to third parties, epiqa, through specific express contractual clauses, undertakes to actually apply the principles contained in the Model, under penalty of termination of the relationship (express termination clauses).

Therefore, epiqa, sensitive to the need to disseminate and consolidate the culture of transparency and integrity, as well as aware of the importance of ensuring conditions of fairness in the conduct of business and in corporate activities to protect its position and image as well as expectations of cooperative members, voluntarily adopts the Organisation, management and control Model envisaged by the Law, establishing its reference principles.

2.4 Approval, modification and implementation of Model 231

The Model in its first draft was approved, in compliance with the provisions of art. 6, par. 1, lit. a) of the Decree, by the Company on 3 November 2014.

epiqa has set up the Supervisory Body responsible for supervising the functioning and compliance of the Model, pursuant to the provisions of the Decree.

The Company also continued to monitor the Model through the Supervisory Body, arranging an initial update to update it and to incorporate the crime of self-laundering introduced in L. Decree no. 231/01 of Law 186/2014 containing "*Provisions on the subject of the appearance and return of capital held abroad as well as for the strengthening of the fight against tax evasion. Provisions on the subject of self-laundering*".

The Organisation, Management and Control Model, following the third update, incorporates the subsequent regulatory developments with particular reference to the completely innovative introduction of criminal-tax cases in the catalogue of predicate offences, in compliance with L. Decree 231/2001; in this regard, a separate Special Section (Special Part G) was added, containing specific provisions on "Tax crimes". The auditing activity also incorporates the changes introduced by L. Decree no. 75 of 14 July 2020 - implementing EU Directive 2017/1371 (the so-called PIF Directive) - which included in the catalogue of crimes, pursuant to Decree 231/2001, the crimes of fraud in public supplies, fraud in agriculture, embezzlement and abuse of office. Finally, the audit activity also implements the introduction in art. 24 bis of the criminal offences relating to *cybersecurity* under art. 1 paragraph 11 of Decree-Law no. 105/2019. This version of the Model was adopted by epiqa with a resolution of the Board of Directors on 10 December 2020.

Lastly, the Model was updated in order to incorporate the regulatory changes introduced by L. Decree No. 184 of 8 November 2021 implementing Directive (EU) 2019/713 of the European Parliament and of the Council on the fight against fraud and counterfeiting of means of payment other than cash, by means of which: the case referred to in art. 493 ter of the Italian Criminal Code was reformulated and art. 493 quater of the Italian Criminal Code was added *ex novo*, entitled "*Possession and dissemination of equipment, devices or computer programmes aimed at committing crimes involving payment instruments other than cash";* moreover, the same Decree provided for the relevance of both the aforementioned cases pursuant to L. Decree 231/2001, adding the same within the new art. 25 octies.1. In its latest version, the Model also incorporates the changes made by L. Decree dated 8 November 2021 no. 195 implementing directive (EU) 2018/673 of the European Parliament and of the Council on the fight against money laundering through criminal law, by means of which the partial reformulation of the cases of receiving stolen goods (art. 648 Italian Criminal Code), money laundering (art. 648-bis Italian Criminal Code), use of money, goods or other benefits of illicit origin (art. 648-ter Italian Criminal Code) and self-laundering (art. 648-ter.1). The updating

activity also takes into account the L. Decree 25 February 2022 no. 13 containing "Urgent measures to combat fraud and for safety in the workplace in the construction sector, as well as on electricity produced by plants from renewable sources" which introduced some changes to the predicate case referred to in art. 24 of L. Decree 231/2001 (art. 316 bis, art. 316 ter and art. 640 bis of the Italian Criminal Code) as well as Law no. 22 of 9 March 2022 which introduces, among the so-called predicate offences, those against cultural heritage as well as laundering of cultural heritage and devastation and looting of cultural and landscape heritage. Finally, the Model implements the innovations referred to in L. Decree no. 156 of 4 October 2022 containing "Corrective and supplementary provisions of L. Decree 75/2020 implementing Directive 2017/1371, relating to the fight against fraud that harms the financial interests of the Union through criminal law".

2.5 Methodology; the construction of the model

epiqa has carried out the mapping of the areas at risk pursuant to the Decree, through the identification and assessment of the risks relating to the types of crime covered by the legislation and the related internal control system, as well as the definition of the first draft of the Model, based on the activities referred to in the points above.

The drafting of the Model was divided into the phases described below:

a) preliminary examination of the company context by holding meetings with the main managers in order to carry out an initial analysis of the organisation and the activities carried out by the various organisational functions, as well as to identify the company processes in which these activities are articulated and their concrete and effective implementation;

b) identification of the areas of activity and corporate processes at "risk" of the commission of offences, carried out on the basis of the preliminary examination of the company context referred to in letter a) above as well as identification of the possible ways of committing the offences;

c) analysis, through meetings with the managers of the identified "Areas at Risk of Crime", of the main risk factors associated with the crimes referred to in the Decree, as well as detection, analysis and assessment of the adequacy of existing management audits;

d) identification of the improvement points of the internal control system and definition of a specific implementation plan for the improvement points identified.

At the end of the aforesaid activities, a list of Areas at Risk of Crime was drawn up, i.e. those sectors of the Company and/or corporate processes with respect to which the risk of commission of crimes, among those indicated by the Decree, and abstractly attributable to the type of activity carried out by the Company.

epiqa has therefore proceeded with the detection and analysis of management audits - verifying the Organisational System, the System for attributing Proxies and Delegations, the Management Audit System, as well as the existing procedures deemed relevant for the purposes of the analysis (so-called phase *as is analysis*) - as well as the identification of points for improvement, with the formulation of appropriate suggestions.

The areas in which financial instruments and/or substitute means are managed that can support the commission of crimes in areas at risk of crime have also been identified.

Together with the *risk assessment* and identification of existing control points, epiqa carried out a careful survey of the remaining fundamental components of the Model, namely:

- the Code of Ethics;
- the Disciplinary System;
- the discipline of the SB;
- the flows of the SB.

2.6 epiqa S.r.l. and its mission

epiqa (formerly Teleippica s.r.l.[5]) is a company of the SNAITECH Group, with offices in Porcari (LU) and Rome (RM), which, on the basis of specific public authorisations (radio-television concessions), takes care of the dissemination of television and multimedia images linked to the world of horse racing and all aspects of custom connected to this sport (e.g. betting on races, national and international horse racing, breeding and promotion of horses, etc.).

epiqa also takes care of the management of a radio channel "Radio Snai", specifically dedicated to services concerning sporting events and the promotion of national and international horse racing.

Furthermore, the Company deals - on its own or in collaboration with other public or private bodies or institutions - with the organisation of sporting, cultural, artistic events, exhibitions, musical performances, cultural activities, seminars, meetings, training courses, festivals and competitions of any kind for the purpose of supporting and promoting the programmes and events disseminated and/or broadcast.

2.7 The categories of crime relevant to epiqa S.r.l.

In the light of the analysis carried out by the Company for the purpose of preparing this Model, the categories of offences envisaged by L. Decree 231/01, which could potentially involve the Company's administrative liability, are those listed below:

- Crimes against the Public Administration (articles 24 and 25);
- Corporate crimes (art. 25 *ter*, as amended by Law 190/2012 which, among other things, introduced the crime of private bribery);
- Crimes of manslaughter and grievous or very grievous bodily harm, committed in violation of the laws on accident prevention and on the protection of hygiene and health in the workplace (art. 25 *septies*);
- Crimes of receiving, laundering and using money, goods or utilities of illicit origin, as well as self-laundering (art. 25 *octies*);
- Crimes relating to payment instruments other than cash (article 25-*octies*.1 of L. Decree 231/01);
- Cybercrimes and unlawful data processing (art. 24 *bis*);
- Organised crime offences (art. 24 *ter*);
- Copyright infringement crimes (article 25-*novies*);
- Crime of incitement to not testify or to bear false testimony to the judicial authority (art. 25 *decies*);
- Environmental crimes (art. 25-*undecies*);
- Crime of employment of third-country nationals who are illegally staying (art. 25-*duodecies*)
- Racist and xenophobic hate crimes (art. 25-*terdecies*)
- Crimes of Fraud in sporting competitions, illegal gaming or betting and games of chance performed using prohibited devices (art. 25-*quaterdecies)*
- Tax crimes (art. 25-*quinquiesdecies)*
- Contraband (art. 25-*sexiesdecies*)

[5] The name of the Company was changed with deed dated 18 December 2019 by deed of the Notary Elena Terrenghi of Milan, dated 18 December 2019, file no. 36385/13072, registered with the Revenue Agency of Milan DP I – TP2 on 20/12/2019 under no. 55912 Series 1T and registered with the Register of Companies of Milan/Monza/Brianza/Lodi Company on 2 January 2020.

- Crimes against cultural heritage as well as Laundering of cultural heritage and devastation and looting of cultural and landscape heritage (art. 25-*septiesdecies* and art. 25-*duodevicies).*

With regard to the remaining categories of crime, it was deemed that, in the light of the main activity carried out by the Company, the social anc economic context in which it operates and the legal and economic relations that it establishes with third parties, there are no risk profiles such as to make the possibility of their commission in the interest or to the advantage of the Company itself reasonably founded.

In this regard, however, steps were taken to monitor these risks through the principles of conduct set out in the Snaitech Group's Code of Ethics, which in any case bind the Recipients to respect the essential values such as impartiality, fairness, transparency, respect for the human person, and lawfulness.

The Company undertakes to constantly assess the relevance, for the purposes of this Model, of any further crimes currently envisaged by L. Decree 231/01 or introduced by subsequent additions to the same.

For each of the categories of crime considered relevant for epiqa (with the exception of articles 24 *ter*,, article 25 *octies* 1, 25-*duodecies, art. 25-quaterdecies*), in the relative Special Part, "activities at risk"" were identified, i.e. those activities which, when performed, make the commission of a crime abstractly possible, the related methods of commission and the existing management audits.

With regard to the crimes referred to in Articles 24 *ter*,, art. 25 *octies 1*, 25-*duodecies and* 25- *quaterdecies* , the outcome of the *risk assessment* activity led to the conclusion, although applicable and relevant, of a lower concrete possibility of committing these offences, by virtue of the activity carried out by the Company. Therefore, in relation to these types of crimes, the control principles described in Special Part I and in the Code of Ethics of the Snaitech Group apply.

2.8 The purpose and structure of the Organisation Model

This Document takes into account the particular entrepreneurial reality of epiqa and represents a valid tool for raising awareness and informing Top Managers, Subordinates and Third Parties. All this, so that the Recipients, in carrying out their activities, follow correct and transparent conduct, in line with the ethical-social values which inspire the Company in the pursuit of its corporate purpose and such, in any case, as to prevent the risk of commission of the crimes envisaged by the Decree.

The Model consists of this General Section and the following Special Sections, as well as the additional documents referred to and/or listed below:

- Special Part A:
  - ✓ Section 1: description of Crimes against Public Administration and the Administration of Justice;
  - ✓ Section 2: Areas at Risk relating to Crimes against Public Administration and the Administration of Justice, related methods of commission and existing Management Audits for the purpose of preventing the crimes *in question*;

- Special Part B:
  - ✓ Section 1: description of Corporate Crimes;
  - ✓ Section 2: Areas at Risk relating to Corporate Crimes, related methods of commission and existing Management Audits for the purpose of preventing the crimes *in question*;

- Special Section B1:
  - ✓ Section 1: description of the Crime of private bribery;

- ✓ Section 2: Areas at Risk relating to the crime of Private Bribery, related methods of commission and existing Management Audits for the purpose of preventing the crimes *in question*;

- Special Part C:
  - ✓ Section 1: description of the crimes of manslaughter and serious or very serious unintentional injuries committed in violation of the accident prevention and occupational health and safety regulations;
  - ✓ Section 2: Areas at risk relating to crimes of manslaughter and serious or very serious unintentional injuries, committed in violation of the regulations on accident prevention and the protection of hygiene and health in the workplace, the relative methods of commission and Management Audits existing for the purpose of preventing crimes *in question*;

- Special Part D:
  - ✓ Section 1: description of the crimes of "*Receiving, laundering and using money, goods or utilities of illicit origin, as well as self-laundering*";
  - ✓ Section 2: Areas at Risk relating to the crimes of "*Receiving, laundering and using money, goods or utilities of illicit origin, as well as self-laundering*", related methods of commission and Management Audits existing for the purpose of preventing the crimes *in question*;

- Special Part E:
  - ✓ Section 1: description of Cybercrimes and unlawful data processing;
  - ✓ Section 2: Areas at risk relating to Cybercrimes and unlawful data processing, related methods of commission and existing Management Audits for the purpose of preventing the crimes *in question*;

- Special Part F:
  - ✓ Section 1: description of crimes relating to copyright infringement;
  - ✓ Section 2: Areas at Risk relating to Crimes relating to the infringement of Copyright, related methods of commission and Management Audits existing for the purpose of preventing the crimes *in question*;

- Special Part G:
  - ✓ Section 1: Environmental crimes;
  - ✓ Section 2: Areas at Risk relating to Environmental Crimes, related methods of commission and existing Management Audits for the purpose of preventing the crimes *in question*;

- Special Part H:
  - ✓ description of Tax Crimes;
  - ✓ Section 2: Areas at Risk relating to Tax Crimes, related methods of commission and existing Management Audits for the purpose of preventing the crimes *in question*;

- Special Part I
  - ✓ Section 1: description of Contraband;
  - ✓ Section 2: Areas at Risk relating to Contraband, related methods of commission and existing Management Audits for the purpose of preventing the crimes *in question*;

- Special Part L:

- ✓ Section 1: description of Crimes against cultural heritage and crimes of Laundering of cultural heritage and devastation and looting of cultural and landscape heritage;
- ✓ Section 2: Areas at Risk relating to the aforementioned Crimes, related methods of commission and existing Management Audits for the purpose of preventing the crimes *in question*;

- Special Part M: containing the General Principles of Conduct applicable to crime families according to Articles (i) 24-*ter;* (ii) 25 - *octies* 1; (iii) 25-*duodecies* (iv) 25-*terdecies* (v) 25-*quaterdecies.*

Without prejudice to the provisions of the Special Sections from A to M of this Document, epiqa has defined a specific system of proxies, procedures, protocols and internal controls whose purpose is to guarantee adequate transparency and knowledge of the decision-making and financial processes, as well as the behaviours that must be observed by top managers and Subordinates operating in the corporate areas.
It should also be noted that the following documents form an integral and substantial part of this Model:

- the Code of Ethics of the Snaitech Group, which defines the fundamental principles to which epiqa is inspired and intends to standardise its activity;
- the Policies adopted by the Snaitech Group, which indicate the duties and responsibilities of SNAITECH S.p.A. and of the other Group Companies in carrying out a business activity based on lawfulness and fairness;
- the Disciplinary System and the related sanction mechanism to be applied in case of violation of the Model;

The Model aims at:

- making all Recipients who operate in the name and on behalf of epiqa, and in particular those engaged in Risk Areas, aware that, in the event of violation of the provisions contained therein, they may incur an offence punishable by penalties, both at criminal and administrative level, not only towards themselves, but also towards the Company;
- informing all Recipients who work with the Company that the violation of the provisions contained in the Model will lead to the application of specific sanctions or the termination of the contractual relationship;
- confirming that the Company does not tolerate illicit behaviour of any kind and regardless of any purpose and that, in any case, such behaviour (even if the Company is apparently in a position to benefit from it) is in any case contrary to the principles which inspire it the entrepreneurial activity of epiqa.

2.9 The concept of acceptable risk

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

For the purposes of applying the provisions of the Decree, it is important to define an effective threshold which allows for a limit to be placed on the quantity/quality of the preventive measures to be introduced, in order to avoid the commission of the offences considered.

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

With regard to the preventive control system to be built 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 such that it cannot be circumvented except fraudulently.

This solution is in line with the "fraudulent avoidance" logic of the Model as an exemption for the purpose of excluding the institution's administrative liability (art. 6, paragraph 1, letter c, "*persons have committed the crime by fraudulently eluding organisation and management models*"), as clarified by the most recent update of the Confindustria guidelines.

With specific reference to the sanctioning mechanism introduced by the Decree, the acceptability threshold is therefore represented by the effective implementation of an adequate preventive system, which cannot be circumvented except intentionally, or, for the purpose of excluding the administrative liability of the institution, the people who committed the crime acted by fraudulently eluding the Model and the audits implemented by the Company.

2.10 Management of financial resources

Taking into account that, in compliance with article 6, letter c) of L. Decree no. 231/01, the requirements that the Model must meet also include the identification of the methods of management of financial resources suitable for preventing the commission of crimes, the Company has implemented specific protocols and/or procedures containing the principles and behaviours to be followed in the management of these resources.

2.11 Outsourced processes

Some of the "risk" business processes identified in the Special Sections of this Model, or portions of them, have been outsourced to other companies, including those belonging to the SNAITECH Group.

With the aim of preventing the commission of predicate offences in the context of outsourced processes, the Company has defined the policy for the outsourcing of its activities, identifying:

- outsourced activities;
- the methods for assessing the supplier's performance level (*service level agreement,* , hereinafter referred to as "S.L.A.").

In compliance with these criteria, the Company has entered into *outsourcing* contracts for the regulation of relations with other companies, also belonging to the SNAITECH Group, which provide services in favour of the same.

These contracts envisage:

- the activity to be transferred, the methods of execution and the related consideration in a clear manner;
- that the supplier adequately performs the outsourced activities in compliance with current legislation and the provisions of the Company;
- that the supplier promptly informs the Company of any fact that may significantly affect its ability to perform the outsourced activities in compliance with current legislation and in an efficient and effective manner;
- that the supplier guarantees the confidentiality of data relating to the Company and its customers;
- that the Company is entitled to control and access the supplier's activity and documentation;
- that the supplier guarantees the complete and immediate access of the competent authorities, in case of request, to the supplier's premises and documentation;

- that the Company can withdraw from the contract without disproportionate charges or such as to prejudice, concretely, the exercise of the right of withdrawal;
- that the contract cannot be sub-assigned without the consent of the Company.

With regard to the administrative liability of institutions and in order to define the limtis of the liability itself, it is also envisaged that through said contracts the parties mutually acknowledge that they have each implemented an organisation and management model pursuant to the Decree and subsequent additions and amendments, and to monitor and regularly update its respective Model, taking into consideration the relevant regulatory and organisational developments, for the purposes of the broadest protection of the respective companies.
The parties undertake towards each other to strictly comply with their Models, with particular regard to the areas of said Models that are relevant for the purposes of the activities managed through the *outsourcing* contract and its performance, and also undertake to inform each other of any violations that may occur and that may be relevant to the contract and/or its performance. More generally, the parties undertake to refrain, in carrying out the activities covered by the contractual relationship, from behaviours and conduct which, individually or jointly with others, may constitute any type of crime contemplated by the Decree.

With reference to these contractual relationships, epiqa and the companies that provide the service have respectively and formally appointed the "Contract Managers". They are responsible for the correct performance of the contract and the relative technical-operational and economic control of the services and supplies and represent the reference, within the companies and towards third parties, of the contracts entered into, for which they are in charge.
The role of "Contract Manager" is identified and formalised through a specific organisational tool and communicated between the parties.

2.12 Corporate Governance

Board of Directors
The Company is managed by a Board of Directors currently made up of no. 3 members appointed by the Assembly.
The Board provides for the management of the company by taking all the ordinary and extraordinary decisions for the achievement of the corporate purpose.

Shareholders' Meeting
The Assembly is convened under Art. 2484 of the Italian Civil Code.

However, meetings are also valid without formal convocation if the entire share capital is present or validly represented and assisted by the administrative body and, if existing, by the Board of Statutory Auditors/Sole Auditor.
The ordinary meeting must be convened at least once a year within four months, or if particular needs require it, within six months from the end of the financial year.
The meeting can be convened at the Registered Office or elsewhere, provided that it is within the national territory.

Auditing Firm
The epiqa shareholders' meeting has entrusted an auditing firm, registered in the Special Register, with the task of auditing the Company's accounts.

2.13 The internal control system

The internal control system is 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, as well as a management of the company that is sound, fair and consistent with the set goals. Each person who is part of the epiqa organisation is an integral part of its internal control system and has the duty to contribute, within the scope of the functions and activities performed, to its correct functioning.

The ***Board of Statutory Auditors/Sole Auditor*** has the task of verifying:

- ✓ *compliance with the Law and the Articles of Association;*
- ✓ *compliance with the principles of fair administration;*
- ✓ *the adequacy of the organisational structure of the Company, of the internal control system and of the accounting administrative system, also with reference to the reliability of the latter in correctly representing management events.*

Controls inside and outside the system

These controls are based on the following principles:

- ✓ ***Separation of tasks.*** The assignment of tasks and the consequent levels of authorisation must be aimed at keeping the functions of authorisation, performance and control separate and in any case at avoiding concentration in the hands of a single subject;
- ✓ ***Formalisation of signature and authorisation powers.*** The granting of these powers must be consistent and commensurate with the tasks assigned and formalised through a system of proxies that identify the scope of exercise and the consequent assumption of responsibility;
- ✓ ***Compliance with the rules of conduct contained in the Code of Ethics.*** All corporate procedures must comply with the principles dictated by the Code of Ethics and by the Snaitech Group Policies adopted/implemented by epiqa;
- ✓ ***Formalisation of control.*** Sensitive company processes must be traceable (documentally or electronically, with a clear preference for the latter) and provide for specific line controls;
- ✓ ***Process coding.*** Company processes are governed according to procedures aimed at defining timing and methods of execution, as well as objective criteria which govern decision-making processes and anomaly indicators.

3. THE SUPERVISORY BODY

3.1 The characteristics of the Supervisory Body

According to the provisions of L. Decree no. 231/01 (articles 6 and 7), the indications contained in the Report to L. Decree no. 231/01 as well as the literature and jurisprudential guidelines on the matter, the characteristics of the Supervisory Body, such as to ensure effective and effective implementation of the Model, must be:

a) autonomy and independence;
b) professionalism;
c) continuity of action;
d) integrity.

a) Autonomy and independence:

The requisites of autonomy and independence are essential so that the SB is not directly involved in the management activities controlled by it and, therefore, is not subjected to conditioning or interference by the management body.

These requisites can be obtained by guaranteeing the SB the highest possible hierarchical position, and by providing for a *reporting* activity to the highest corporate operational top manager, or to the Board of Directors as a whole. For the purposes of independence, it is also essential that the SB is not assigned operational tasks, which would compromise its objectivity of judgement with reference to checks on behaviour and the effectiveness of the Model. To this end, it has a specific spending budget.

b) Professionalism:

The SB must possess adequate technical-professional skills for the functions it is called upon to perform. These characteristics, combined with independence, guarantee the impartiality of its judgement[6].

c) Continuity of action:

The SB must:

- carry out the activities necessary for the supervision of the Model on an ongoing basis with adequate commitment and with the necessary investigative powers;
- be a structure referable to the Company, in order to guarantee the due continuity in the supervisory activity.

d) Integrity:

The members of the SB must meet the following requirements:

- not be in a state of temporary disqualification or suspension from the executive offices of legal persons and companies;

[6] This refers, among other things, to: risk analysis and assessment techniques; measures for their containment (organisational procedures, mechanisms for juxtaposing tasks, etc.); *flow charting* of procedures and processes for identifying weaknesses, interview techniques and questionnaire processing; fraud detection methodologies; etc. The Supervisory Body must have inspection skills (to ascertain how a crime of the type in question could have occurred and who committed it); consultancy skills (to implement - when designing the Model and subsequent amendments - the most suitable measures to prevent, with reasonable certainty, the commission of the same crimes) or, again, currently to verify that daily behavior effectively respects those codified) and legal skills.

- not be in one of the conditions of ineligibility or forfeiture provided for by art. 2382 of the Italian Civil Code, with reference to the directors and to be considered applicable, for the purposes of the Model, also to the individual members of the SB;
- have not been subjected to preventive measures pursuant to the Law of 27 December 1956, no. 1423 ("Preventive measures against people dangerous to safety and public morality") or the Law of 31 May 1965, no. 575 ("Provisions against the mafia") and subsequent modifications and additions, without prejudice to the effects of rehabilitation;
- not having been sentenced, even if with a conditionally suspended sentence, without prejudice to the effects of rehabilitation:
  - ✓ for one of the crimes envisaged by the R.D. 16 March 1942, no. 267 (Bankruptcy Law);
  - ✓ for one of the crimes envisaged by Title XI of Book V of the Italian Civil Code ("Criminal provisions concerning companies and consortia");
  - ✓ for an intentional crime, for a period of no less than one year;
  - ✓ for a crime against the Public Administration, against public faith, against property, against the public economy.

Each member of the SB signs a specific declaration certifying the existence of the required personal requirements.

In the event that the envisaged requirements are no longer met, the member of the SB is forfeited, according to the provisions of paragraph 3.4 below.

3.2 The identification of the Supervisory Body

In compliance with the provisions of L. Decree 231/2001, epiqa decided to set up a monocratic supervisory body with a deep knowledge of corporate activities, expertise in auditing, in the legal field and - at the same time - endowed with authority and independence such as to be able to guarantee the credibility of the related functions.

3.3 Duration of the assignment and reasons for termination

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

The termination of the office of the SB can take place for one of the following reasons:

- ✓ expiry of the assignment;
- ✓ revocation of the SB by the Board of Directors;
- ✓ resignation of the member of the SB, formalised by means of a specific written communication sent to the Board of Directors;
- ✓ occurrence of one of the causes of forfeiture referred to in paragraph 3.4 below.

The revocation of the SB can only be ordered for just cause and such must be understood, by way of example, as follows:

- the case in which the component is involved in a criminal proceeding concerning the commission of a crime pursuant to L. Decree no. 231/01, from which liability for the Company may arise;
- the case in which the violation of the confidentiality obligations envisaged by the SB is found;
- gross negligence in the performance of the duties associated with the assignment;
- the possible involvement of the Company in a criminal or civil proceeding, which is connected to an omitted or insufficient supervision, even negligent;

- the attribution of operational functions and responsibilities within the corporate organisation incompatible with the requirements of "autonomy and independence" and "continuity of action" of the SB. In any case, any provision of an organisational nature that 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 taking by deed of the Board of Directors;
- unjustified absence from two or more consecutive meetings of the SB, following a ritual summons;
- have been convicted of one of the crimes envisaged in L. Decree no. 231/01, even if the sentence has not become final;
- the impediment of the member of the SB continued for a period exceeding six months, if the causes of impediment referred to in paragraph 3.5 below occur.

The revocation is ordered with a qualified resolution (two/thirds) of the Board of Directors, subject to the non-binding opinion of the Board of Statutory Auditors/Sole Auditor.

In the event of expiry, revocation or waiver, the Board of Directors appoints the new member of the SB without delay, while the outgoing member remains in office until they are replaced.

3.4 Cases of ineligibility and forfeiture

The members of the SB are chosen among qualified subjects and experts in the legal field, internal control systems and/or specialised technicians.

The following constitute reasons for ineligibility and/or forfeiture of the member of the SB:

a) the lack of integrity requirements referred to in paragraph 3.1 above;
b) the existence of family relationships, marriage or affinity within the fourth degree with the members of the Board of Directors or of the Board of Statutory Auditors/Sole Auditor of the Company, or with the external parties in charge of the audit;
c) with exclusive reference to the external members of the SB, the existence of financial relationships between the member and the Company, such as to compromise the independence of the member;
d) the verification subsequent to the appointment, that the member of the SB has held the position of member of the Supervisory Body within companies against which they have been applied, with definitive provision (including the sentence issued pursuant to art. 63 Decree), the penalties provided for by art. 9 of the same Decree, for offences committed during their office.

If, during the term of office, a cause for forfeiture arises, the member of the SB is required to immediately inform the Board of Directors which appoints the new member of the SB without delay, while the outgoing member is required to refrain from taking any resolution, with the consequence that the Supervisory Body will operate in reduced composition.

3.5 Causes of temporary impediment

In the case of a collegiate Supervisory Body, if causes arise which temporarily prevent (for a period of six months) a member of the SB from carrying out their functions or from carrying them out with the necessary autonomy and independence of judgement, the latter is required to declare the existence of the legitimate impediment and - if it is due to a potential conflict of interest - the cause from which the same derives, refraining from participating in the meetings of the body itself or in the specific resolution to which the conflict refers, until the aforesaid impediment persists or is removed.

In the event of a temporary impediment or in any other hypothesis which makes it impossible for one or more members to participate in the meeting, the Supervisory Body will operate with a reduced number of participants.

In the case of a monocratic Supervisory Body, if impediments of a temporary or permanent nature arise, the sole member of the SB must present these causes without delay to the Board of Directors, at the same time notifying the Board of Statutory Auditors/Sole Auditor as well, so as to allow the Administrative Body to assess the opportunity to appoint a new SB.

3.6 Function, duties and powers of the Supervisory Body

In compliance with the indications envisaged by the Decree and by the Confindustria Guidelines, the function of the appointed SB consists, in general, in:

- supervising the effectiveness of the Model, i.e. supervising 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;
- verify the effectiveness and adequacy of the Model, i.e. verify that the Model prepared is suitable for preventing the occurrence of the offences referred to in the Decree;
- monitor that the Model is constantly updated, proposing to the Board of Directors any proposals for the modification of the same, in order to adapt it to organisational changes, as well as to regulatory and corporate structure changes.

Within the scope of the function described above, the following tasks are the responsibility of the SB:

- periodically check the adequacy of the Management Audits within the Risk Areas. To this end, the Recipients of the Model must report to the SB any situations capable of exposing the Company to the risk of crime. All communications must be made in writing and sent to the specific e-mail address activated by the SB;
- periodically carry out, on the basis of the activity plan of the SB previously established, targeted checks and inspections on certain operations or specific deeds, implemented within the Risk Areas;
- collect, process and keep the information (including the reports referred to in paragraph 3.8 below) relevant to compliance with the Model, as well as update the list of information that must mandatorily be sent to the same SB;
- conduct internal investigations to ascertain alleged violations of the provisions of this Model, brought to the attention of the SB by specific reports or that emerge during the supervisory activity of the same;
- verify that the Management Audits envisaged in the Model for the various types of crimes are effectively implemented and meet the requirements of compliance with L. Decree no. 231/01, providing, otherwise, to propose corrective actions and updates of the same;
- promote suitable initiatives aimed at disseminating knowledge and understanding of the Model.

For the performance of the functions and tasks indicated above, the following powers are attributed to the SB:

- broadly and extensively access the various corporate documents and, in particular, those relating to relationships of a contractual nature and not established by the Company with third parties;
- make use of the support and cooperation of the various company structures and corporate bodies that may be interested, or in any case involved, in the control activities;
- prepare an annual plan of checks on the adequacy and functioning of the Model;

- monitor that the mapping of the Areas at Risk is constantly updated, proposing any proposals for modification of the same, according to the methods and principles followed in the adoption of this Model;
- confer specific consultancy and assistance assignments to expert professionals in legal matters. For this purpose, in the resolution of the Board of Directors with which it is appointed, the SB is assigned specific spending powers.

3.7 Information obligations with respect to the Supervisory Body

Article 6, paragraph II, letter d) of the Decree, establishes that the Model must provide for information obligations with respect to the SB, so that the same can best carry out its verification activity. The SB 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 relating to the existence of possible violations of the same.

The SB 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 relating to the existence of possible violations of the same.

The information obligation is also addressed to all corporate Functions and, in particular, to the structures deemed to be at risk of committing predicate offences referred to in the Mapping of Areas at Risk of Crime contained in the Model.

In particular, with regard to the object, the information flows to the SB can be classified into:

1) ***Specific periodic/occasional information flows that may derive from company subjects present in risk areas;***
2) ***Reports.***

- **Specific periodic / occasional information flows:**
  - ✓ The provisions and/or news from judicial police bodies or from any other authority, from which it can be inferred that investigations are being carried out for the crimes referred to in the Decree that may involve the Company, also initiated against unknown persons;
  - ✓ Copy of communications, requests for information or orders to exhibit documentation to/from any public authority directly or indirectly connected to circumstances that may give rise to liability in compliance with the Decree;
  - ✓ Requests for legal assistance submitted by managers and employees in the event of the initiation of legal proceedings for the crimes provided by the Decree;
  - ✓ Any omission, negligence or falsification in bookkeeping or in keeping the documentation on which the accounting records are based.
  - ✓ The updates of the system of powers and delegations;
  - ✓ Any communication from the auditing firm regarding possible deficiencies in the internal control system;
  - ✓ The summary schedules of the tenders, public or of public significance, at national/local level in which the Company has participated to obtain public concessions;
  - ✓ Decisions relating to the request, disbursement and use of any public funding;
  - ✓ Annual financial statements, accompanied by the explanatory notes, as well as the biannual balance sheet;
  - ✓ Duties conferred on the auditing firm;
  - ✓ Communications, by the Board of Statutory Auditors/Sole Auditor and by the independent auditors, relating to any critical issue that has emerged, even if resolved;

- ✓ Any presumed or verified breach of the principles contained in the Model, of the Snaitech Group's Code of Ethics and Conduct, of corporate procedures, and any other potentially relevant aspect for the purposes of applying the Decree;
- ✓ Results of any internal audits conducted on areas at risk of crime and reporting of any non-conformities found;
- ✓ The reports of the disciplinary proceedings initiated by the Company in relation to the violation of the Model, of the Code of Ethics of the Snaitech Group, of the company procedures and of the sanctions applied to the outcome of the proceeding, with the specification of the reasons which legitimised the imposition, as well as any decisions to dismiss a disciplinary proceeding or not to apply sanctions with the related reasons;
- ✓ Any issues, amendments and additions to the Company's operating procedures and organisational system relevant for the purposes of the Model;
- ✓ Each report concerning the operation and updating of the Model and the Code of Ethics of the Snaitech Group;
- ✓ Reports on planned corporate training activities;
- ✓ Any communication from the independent auditors regarding possible deficiencies in the internal control system, reprehensible facts, observations on the Company's financial statements;
- ✓ The periodic report on the cases of accidents at work, near-miss accidents and occupational diseases for each company site, with an indication of the centres/departments in which they occurred and the causes of such accidents;
- ✓ The inspection reports of the competent authorities which have highlighted organisational deficiencies with reference to occupational health and safety.

- ***Reports:***
  - ✓ Information from all sources, anonymous or not, concerning the possible commission of crimes or in any case violations of the Model applied by epiqa.

In any case, the managers of the Offices involved in the activities at risk communicate to the SB any useful information to facilitate the performance of checks on the correct implementation of the Model. In particular, they must communicate to the SB any anomaly or atypical nature found in the context of the activities carried out and available information.

Reports to the SB must be made in writing and sent to the e-mail address specifically set up for the purpose odvepiqa@epiqa.it or even anonymously and sent in writing to the Body to the ordinary mail address:

Supervisory Body

epiqa S.r.l.

Piazza della Repubblica, 32

20134 Milan (MI)

The Company's SB acts in such a way as to guarantee the whistleblowers against any type of retaliation, understood as an act that may give rise to even the mere suspicion of being a form of discrimination or penalisation.

The SB guarantees adequate confidentiality to persons who report information or make reports, without prejudice to legal obligations and the protection of the Company's rights. With this in mind, epiqa has equipped itself, among others, with a reporting channel that manages reports in *outsourcing*.

3.8 The regulation on the protection of reporters of crimes or irregular conducts (the so-called *"whistleblowing"*)

The recent legislation on the protection of people who report crimes or irregularities, also known as *"whistleblowing"*, deserves a separate mention.

As of 29 December 2017, the law of 30 November 2017 no. 179, laying down provisions for the protection of the reporters of crimes or irregular conducts of which they have become aware in the context of a public or private employment relationship. The new law, in addition to innovating the legislation already in force for public employees (including economic public institutions and private law institutions under public control), extends for the first time the protection of the reporting subject to the private sector by intervening directly on L. Decree 231/01 through the introduction of three new paragraphs to art. 6 (c. 2-bis, c. 2-ter and c. 2-quater) which impose a series of obligations on companies that have adopted an Organisation, Management and Control Model.

And in fact, ***par. 2-bis*of new art. 6 of L. Decree 231/01** establishes that the Organisation, Management and Control Model must include:

- one or more channels – suitable for guaranteeing the confidentiality of the identity of the whistleblower – which allow subjects in senior positions (persons who hold representation, administration or management functions of the institution) or persons subject to the management or supervision of the latter - to submit detailed reports based on elements of precise and concordant facts with regard to significant illegal conduct pursuant to L. Decree 231/2001 or reports on violations of the provisions of the Model, of which they have become aware due to the functions performed;
- at least one alternative reporting channel suitable for guaranteeing, using IT methods, the confidentiality of the identity of the whistleblower.

The same paragraph also envisages:

- the prohibition of retaliatory or discriminatory acts, direct or indirect, against the whistleblowers for reasons connected, directly or indirectly, to the report;
- that in the disciplinary system implemented pursuant to paragraph 2, letter e) of the same art. 6 of L. Decree 231/2001, sanctions are envisaged against those who violate the measures to protect the whistleblower, as well as those who intentionally or with gross negligence make reports that turn out to be unfounded (cf. *above* par. 4.7).

Par. 2-ter of art. 6 provides that the whistleblower is protected for the report forwarded, also from a labour law point of view: the adoption of discriminatory measures against him/her can be reported to the National Labour Inspectorate not only by the whistleblower but also, in his/her place, by the organisation indicated by the latter, so that the same Inspectorate adopts the measures within its competence.

Finally, ***par. 2-quater*** establishes the voidness of the retaliatory or discriminatory dismissal of the whistleblower, as well as the voidness of any change of duties pursuant to article 2103 of the Italian Civil Code, as well as any other retaliatory or discriminatory measure implemented against the whistleblower: in case dispute concerning these issues, the burden of demonstrating that the measure taken against the worker is based on reasons unrelated to the reporting falls on the employer.

Therefore, the Company must to act in such a way as to guarantee the whistleblowers against any form of retaliation, discrimination or penalisation, also ensuring the confidentiality of the identity of the

whistleblower, without prejudice to legal obligations and the protection of the rights of the Company itself or of the persons involved, as well as the reputation of the person(s) reported.

Furthermore, it should be noted that, on 15 March 2023, L. Decree 10 March 2023, no. 24 (in force since 30 March 2023) was published, which has made substantial changes and additions to the entire Whistleblowing regulation, expanding the scope of application of the regulation (both objectively and subjectively) and extending the scope of the protections envisaged for whistleblowers and for people close to them. The Company, in coordination with the parent company SNAITECH, has started the process of adapting to the legislation described above.

Finally, it should be noted that, in addition to the traditional reporting channels - reported under 3.7 - epiqa has long been equipped with an application solution, "COMUNICA WHISTLEBLOWING", which manages communications in *outsourcing* and allows employees to send reports of violations, potential or effective, relevant pursuant to L. Decree 231/01, L. Decree 231/07, as well as the principles defined by the Code of Ethics and by the Policies of the Snaitech Group which they become aware of during the performance of their duties. This application ensures maximum protection - anonymity and confidentiality - to the employee who decides to report an offence through this system.

The company has provided its personnel with the User Manual for using the application, implemented a specific procedure called "Reporting of offences and irregular conducts" and administered training sessions on the subject.

3.9 Disclosure obligations of the Supervisory Body

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

The SB is responsible towards the Board of Directors for:

- communicate, at the beginning of each financial year and in the context of its annual report, the plan of activities it intends to carry out in the same year in order to fulfil the assigned tasks. This plan will be approved by the Board of Directors itself;
- report, in the context of its half-yearly and yearly report, the progress of the plan of activities, together with any changes made to the same, as well as with regard to the implementation of the Model.

Furthermore, the SB promptly notifies the Chief Executive Officer of any problems connected to the activities, where relevant.
In addition to the Board of Directors, the SB may periodically report to the Sole Auditor on its activities.

The SB may request to be summoned by the aforementioned bodies to report on the functioning of the Model or on specific situations.
The meetings with the corporate bodies to which the SB reports must be recorded in the minutes. A copy of these minutes will be kept by the SB and by the bodies involved from time to time.

The SB may also, depending on the individual circumstances:

A. communicate the results of its assessments to the heads of functions and/or processes, should aspects that could be improved arise from the activities. In this case, it will be necessary for the SB to obtain

from the process managers an action plan, with relative timing, for the implementation of the activities that need improvement, as well as the result of this implementation;

B. report behaviours/actions not in line with the Model to the Board of Directors and the Sole Auditor in order to:
   i) acquire from the Board of Directors all the elements to make any communications to the structures responsible for the assessment and application of disciplinary sanctions;
   ii) give indications for the removal of deficiencies, in order to avoid the recurrence of the event.

The SB has the obligation to immediately inform the Sole Auditor, if the violation concerns the Board of Directors.

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

4. DISCIPLINARY SYSTEM

4.1 General principles

The Company acknowledges and declares that the preparation of an adequate disciplinary and sanctioning system for the violation of the rules and provisions contained in the Model and in the related Management Audits is an essential condition for ensuring the effectiveness of the Model itself.

In this regard, in fact, articles 6, paragraph 2, letter e) and 7, paragraph 4, letter b) of the Decree provide that the Organisation, Management and Control Models must *"introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model"*, for top managers and subordinates.

In compliance with art. 2106 of the Italian Civil Code, with reference to subordinate employment relationships, this Penalty System integrates, to the extent not expressly provided for and limited to the cases envisaged therein, the National Collective Labour Agreements applied to employees.

The Penalty System is divided into sections, according to the classification category of the recipients in compliance with art. 2095 of the Italian Civil Code.

The violation of the rules of conduct and of the measures envisaged by the Model, by employees of the Company and/or managers of the same, constitutes a breach of the obligations deriving from the employment relationship, according to art. 2104 of the Italian Civil Code and of art. 2106 of the Italian Civil Code.

The application of the sanctions described in the Penalty System is independent of the outcome of any criminal proceeding, as the rules of conduct imposed by the Model and the related Management Audits are assumed by the Company in full autonomy and regardless of the type of offences referred to in the Decree.

More precisely, failure to comply with the rules and provisions contained in the Model and in the related Management Audits, in itself harms the relationship of trust existing with the Company and leads to sanctions and disciplinary actions, regardless of the possible establishment or outcome of a criminal trial, in cases where the violation constitutes a crime. This also in compliance with the principles of promptness and immediacy of the dispute (including of a disciplinary nature) and the imposition of sanctions, in compliance with the applicable laws on the matter.

For the purposes of assessing the effectiveness and suitability of the Model to prevent the crimes indicated by L. Decree no. 231/2001, it is necessary for the Model to identify and sanction behaviours that may favour the commission of crimes.

The concept of disciplinary system leads us to believe that the Company must proceed with a graduation of the applicable sanctions, in relation to the different degree of danger that the behaviours may present with respect to the commission of the offences.

This is because art. 6, paragraph, 2 of L. Decree no. 231/2001, in listing the elements that must be found within the models prepared by the company, in letter e) expressly provides that the company

has the burden of "*introducing a disciplinary system suitable for sanctioning failure to comply with the measurements indicated by the model*".

The concept of disciplinary system leads us to believe that the Company must proceed with a graduation of the applicable sanctions, in relation to the different degree of danger that the behaviours may present with respect to the commission of the offences.

A disciplinary system has therefore been created which, first of all, sanctions all breaches of the Model, from the slightest to the most serious, through a system of *gradual* sanctions and which, secondly, respects the principle of *proportionality* between the breach found and the sanction imposed.

Regardless of the nature of the disciplinary system required by L. Decree no. 231/2001, the basic characteristic of the disciplinary power that belongs to the Employer remains, referred to, pursuant to art. 2106 of the Italian Civil Code, to all categories of workers and exercised independently of the provisions of the collective bargaining agreement. By virtue of the envisaged principles, the disciplinary power referred to in L. Decree no. 231/2001 is exercised by the Board of Directors following its reporting and assessment.

4.2 Definition of "Violation" for the purposes of the operation of this Penalty System

By way of general example, the following constitutes a "Violation" of this Model and the related Management Audits:

- ✓ the implementation of actions or behaviours that do not comply with the law and with the provisions contained in the Model and in the related Management Audits, which involve the commission of one of the crimes contemplated by the Decree;
- ✓ the implementation of actions, the omission of actions or behaviours prescribed in the Model and in the related Management Audits, which involve a situation of mere risk of committing one of the crimes contemplated by the Decree;
- ✓ the omission of actions or behaviours prescribed in the Model and in the related Management Audits, which involve a risk of committing one of the offences contemplated by the Decree.

In compliance with art. 6 c. 2 bis lett. d) (recently introduced by Law 30/11/2017 no. 291) violations of the measures aimed at protecting the whistleblower of unlawful conduct or violations of the Model (the so-called "whistleblowing"), or abuses of the same by making, with willful misconduct or gross negligence, reports that later turn out to be unfounded.

4.3 Criteria for the imposition of sanctions

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

- subjective element of the conduct (malice, fault);
- relevance of the violated obligations;
- potential of the damage deriving to the Company and of the possible application of the sanctions envisaged by the Decree and by any subsequent amendments or additions;
- level of hierarchical or technical responsibility of the stakeholder;

- presence of aggravating or mitigating circumstances, with particular regard to the previous work performed by the recipient of the Model and the previous disciplinary measures of the last two years;
- any sharing of responsibility with other employees or third parties in general, who have contributed to causing the violation.

If several infractions have been committed with a single act, punished with different sanctions, only the most serious sanction will be applied.

The principles of timeliness and immediacy of the dispute impose the imposition of the sanction (also and above all disciplinary) regardless of the possible establishment and outcome of a criminal trial.

In any case, disciplinary sanctions to employees must be imposed in compliance with art. 7 of Law 300/70 (hereinafter, for the sake of brevity, referred to as "Workers' Statute") and all other legislative and contractual provisions existing on the matter.

4.4 The sanctions

Employees: disciplinary offences

Disciplinary offences are defined as conduct by employees, including Managers, in violation of the rules and behavioural principles 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 shortcomings and on the basis of the following criteria:

- ✓ conduct (wrong or negligence) duties, qualification and level of the employee;
- ✓ relevance of the violated obligations;
- ✓ potential for damage arising to epiqa;
- ✓ recurrence.

In case of commission of several violations, punishable by different sanctions, the most serious sanction may be applied. Violation of the provisions may constitute a breach of contractual obligations, in compliance with articles 2104, 2106 and 2118 of the Italian Civil Code, 7 of Law 300/70, as well as of Law 604/66, of the CCNL applied and in force, with the applicability, in the most serious cases, of art. 2119 of the Italian Civil Code.

Correlation criteria

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

- behaviours such as to recognise a failure to execute orders given by epiqa both in written and verbal form in the performance of activities at risk of crime, such as, for example: violation of procedures, regulations, written or verbal internal instructions, violation of the Code of Ethics of the Snaitech Group that integrate the details of slight negligence (minor violation);

- conduct such as to identify a serious infringement of discipline and/or diligence at work such as the adoption, in carrying out activities at risk of crime, of the conduct referred to in point 1) committed with wilful misconduct or gross negligence (serious violation);
- behaviours such as to cause serious moral or material harm to the company, that do not allow the continuation of the relationship even temporarily, such as the adoption of behaviours that integrate the details of one or more predicate crimes or in any case aimed unequivocally at the commission of such crimes (violation of serious entity and with prejudice to epiqa).

In particular:

- failure to comply with the Model, in the case of violations carried out in the context of "sensitive" activities referred to in the "instrumental" areas identified in the Model Summary document (Special Parts A, B, B1, C, D, E, F, G, H, I, L and M);
- non-compliance with the Model, in the case of a violation capable of integrating the mere fact (objective element) of one of the crimes envisaged in the Decree;
- non-compliance with the Model, in the event of a breach aimed at committing one of the crimes envisaged by the Decree, or in any case the danger that the Company's liability may be contested pursuant to the Decree.

In addition, violations in the field of health and safety in the workplace (Special Part C) are specifically highlighted, also ordered according to an increasing order of seriousness:

- failure to comply with the Model, if the breach causes a situation of concrete danger for the physical integrity of one or more people, including the author of the violation;
- failure to comply with the Model, if the violation causes injury to the physical integrity of one or more people, including the author of the violation;
- failure to comply with the Model, if the breach causes an injury, which can be qualified as "serious" pursuant to art. 583, paragraph 1, of the Italian Criminal Code, to the physical integrity of one or more persons, including the author of the violation;
- failure to comply with the Model, if the violation causes an injury, which can be qualified as "very serious" in compliance with art. 583, paragraph 1, of the Italian Criminal Code, to the physical integrity or the death of one or more people, including the author of the violation.

Sanctions applicable to Middle Managers and White Collar Workers

Following the disciplinary procedure pursuant to art. 7, Law 300/70, taking into account the seriousness and/or recurrence of the conduct, the worker, who is responsible for actions or omissions conflicting with the provisions of the Model, is subject to the following disciplinary sanctions:

- ✓ verbal reprimand (minor violations);
- ✓ written reprimand (minor violations);
- ✓ fine not exceeding four hours of pay (serious violations);
- ✓ suspension from pay and service for a maximum of 8 days (serious violations);
- ✓ immediate dismissal (serious violations and to the detriment of epiqa).

Sanctions Applicable to Executives

Although the disciplinary procedure under art. 7, Law 300/70 is not applicable to Executives, it is appropriate to provide the procedural guarantee envisaged by the Workers' Statute also for Executives.
Taking into account the fiduciary nature of the employment relationship, in the event of violations of the provisions of the Model, the Manager will be subject to the following sanctions:

- ✓ warning letter (minor violations);
- ✓ termination of the relationship (serious violations and to the detriment of epiqa).

The right to compensation for any damage caused to the company by the Executive remains unaffected.

Disciplinary procedure for Directors and Statutory Auditors

In the case of commission of a Violation referred to in paragraph 4.2. Above by one or more of the Directors of the Company, the SB informs the Board of Directors and the Sole Auditor without delay for the appropriate assessments and measures.

In the event that the indictment of one or more of the Directors, alleged perpetrators of the crime from which the administrative liability of the Company derives, has been ordered, the Chairman of the Board of Directors of the Company convenes the Shareholders' Meeting without delay to resolve regarding the revocation of the mandate.

In the case of commission of a Violation referred to in paragraph 4.2. above by the Sole Auditor, the SB informs the Board of Directors and the Sole Auditor himself and the Chairman of the Board of Directors convenes the Shareholders' Meeting in order to implement the appropriate measures.

Sanctions Applicable to Third Parties

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

- ✓ challenge the non-fulfilment to the recipient, with the simultaneous request to fulfil the contractual obligations assumed and provided for by the Model, by the company procedures and by the Code of Ethics of the Snaitech Group, if necessary by granting a term or immediately;
- ✓ request compensation for damages equal to the consideration received for the activity carried out in the period starting from the date of ascertainment of the violation of the recommendation to the effective fulfilment.
- ✓ automatically terminate the existing contract for serious breach, pursuant to articles 1453 and 1455 of the Italian Civil Code.

Taking into account the nature, value and duration of the assignment conferred by epiqa, it will be possible to assess, on a case-by-case basis, the opportunity to insert contractual termination clauses, in order to obtain a deterrent function of conduct, even if only suspicious, of violation and to predetermine the quantification of the damage, to which a further and greater damage may be added to be quantified subsequently and in court.

Disciplinary procedure for employees

The Company adopts a standard corporate procedure for contesting disciplinary charges against its employees and for the imposition of the related sanctions, which complies with the forms, methods and timescales set out in art. 7 of the Workers' Statute, by the CCNL for employees of "Private

Radio and Television Companies", as well as by all other legislative and regulatory provisions on the subject.

Following the occurrence of a possible Violation of this Model and the related Procedures, in compliance with point 4.2 above, by an employee, the incident must be promptly reported to the Board of Directors, which assesses the seriousness of the behaviuor reported in order to establish whether it is necessary to formulate a disciplinary complaint against the employee concerned.

Should the opportunity to impose a more serious disciplinary sanction than the verbal reprimand is assessed, the Board of Directors formally contests, through a specific written Disciplinary Complaint, the disciplinary behaviour relevant to the employee concerned and invites him/her to communicate his/her possible justifications within 5 days following receipt of the Disciplinary Complaint.

Where there is a possible Breach of this Model and the related Procedures, under point 4.2 above, by the employee concerned, the written Disciplinary Complaint and any justifications thereof must be sent for information to the SB.

Where the SB deems a possible Breach of this Model and the related controls, under point 4.2 above, by the employee concerned, taking into account the disputed facts and any justifications presented, it can express its reasoned opinion on the seriousness of the breach and the sanctions to be applied.

After at least five days from the delivery of the Disciplinary Complaint, the Board of Directors, taking into account the reasoned opinion, which in any case is not binding, of the SB, as well as any justifications from the employee, decides whether to impose a sanction based on the seriousness of the Breach or the disputed charge.

Where there has been a Breach of this Model and the related Organisational Protocols, under point 4.2 above, by the employee concerned, the disciplinary measure must be sent for information to the SB.

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

4.5 Violation Register

The Company prepares a specific register of Violations, containing the indication of the perpetrators, as well as the sanctions adopted against them.

The register, kept by the competent function for human resources of epiqa, must be constantly updated and can be consulted at any time by the Administrative Body and the Sole Auditor.

In relations with third parties, registration in this register entails the prohibition of establishing new contractual relationships with the interested parties, unless otherwise decided by the Administrative Body.

5. MODEL UPDATE

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

Therefore, the power to update the Model - which is the expression of an effective implementation of the same - belongs to the Board of Directors, which exercises it directly by means of a resolution and with the methods envisaged for the implementation of the Model.

The updating activity, understood both as an integration and as a modification, is aimed at guaranteeing the adequacy and suitability of the Model, assessed with respect to the preventive function of committing the crimes indicated by L. Decree no. 231/2001.

The Supervisory Body is responsible for supervising the updating of the Model, in compliance with the provisions of this Document.

6. PERSONNEL INFORMATION AND TRAINING

6.1 Dissemination of the Model

The methods of communication of the Model must be such as to guarantee its full publicity, in order to ensure that the Recipients are aware of the procedures and controls that they must follow in order to correctly fulfil their duties or the contractual obligations established with the Company.

The objective of epiqa is to communicate the contents and principles of the Model also to the Subordinates and to Third Parties, who find themselves operating - even occasionally - for the achievement of the Company's objectives by virtue of contractual relationships.

To this end, the Model is permanently archived in the appropriate "Document Archive", accessible by all Top Managers and Subordinates. In this "Archive", moreover, all the information deemed relevant for the knowledge of the contents of the Decree and its implications for epiqa are available.

As far as third parties are concerned, an extract of this Document is sent to the same with the express contractual obligation to comply with the relevant provisions.

The communication and training activity is supervised by the SB, making use of the competent structures, which are assigned, among others, the tasks of promoting initiatives for the dissemination of knowledge and understanding of the Model, the contents of L. Decree no. 231/2001, of the impacts of the legislation on epiqa's activity, as well as for personnel training and awareness of the compliance with the principles contained in the Model and to promote and coordinate initiatives aimed at facilitating knowledge and understanding of the Model by the Recipients.

6.2 Personnel training

The training activity is aimed at promoting knowledge of the legislation referred to in L. Decree no. 231/2001. This knowledge implies that an exhaustive picture of the legislation itself is provided, of the practical implications that derive from it, as well as of the contents and principles on which the Model is based. All Top Managers and Subordinates are therefore required to know, comply with and respect these contents and principles, contributing to their implementation.

To ensure effective knowledge of the Model, the Code of Ethics of the Snaitech Group and the Management Audits to be implemented for the correct performance of the activities; specific mandatory training activities are therefore envisaged for epiqa's Top Managers and Subordinates, to be provided with different methods according to the recipients and in line with the methods of delivery of the training plans in use at the Company.