



**Organisation, Management and Control
Model pursuant to Legislative Decree no.
231 of 8 June 2001**

General Part

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1. INTRODUCTION

1.1. General information

Legislative Decree no. 231 of 8 June 2001, containing the "Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality, in accordance with article 11 of Law no. 300 of 29 September 2000" introduced into our legal system the criminal liability of entities, which is in addition to that of the natural person who materially carried out the unlawful act.

The extension of liability aims to involve in the punishment of certain criminal offences the assets of the entities and, ultimately, the economic interests of the shareholders, who, until the entry into force of the law, did not suffer consequences from the commission of crimes committed, to the benefit of the company, by directors and/or employees, given the principle of personality of the criminal liability.

In fact, only articles 196 and 197 of the Italian Criminal Code provided and provide for an obligation to pay fines or fines imposed, in the event that the perpetrator of the act was a person without an economic capacity, but, beyond the provisions just mentioned, the entity remained exempt from criminal proceedings against the aforementioned persons.

It is well understood, therefore, how relevant regulatory innovation is, since neither the entity, nor the shareholders of companies or associations can be said to be unrelated to criminal proceedings for crimes committed for the benefit or in the interest of the entity.

Article 6 of the legislative provision provides, however, for a form of exemption from the liability of the entity if it is demonstrated, in the context of a criminal proceeding resulting from one of the aforementioned crimes, that it has adopted and effectively implemented models of organisation, management and control suitable to prevent the commission of the criminal offences considered. The system therefore contemplates the establishment of an internal control body within the entity with the task of overseeing the real effectiveness of the model.

Failure to adopt the model is not subject to any penalty, but exposes the entity to liability for offences committed by directors and employees. This being the case, despite the substantial optionality of adopting such a model, it becomes mandatory both to benefit from the exemption and to strengthen the work of protecting shareholders, employees, savers, directors and, more generally, all those who in various ways may be interested in the activities of the institution.

C.M.C. S.r.l. (hereinafter also "CMC"), is particularly attentive, in fact, to the behaviour of all subjects who in various ways come into contact with the company and relies on the complete application of the provisions of this Model.

1.2. Purpose and Scope of Application

C.M.C. S.r.l. through the implementation of this OMCM (which consists of specific protocols and procedures adopted by the Governance Bodies and the individual Operating Units) intends to pursue the fundamental objective of putting in place the articulation of the principles, processes, *policies*, procedures and behavioural practices that integrate the internal control system (*As Is analysis*) in place, also composed of tools, organisational and control procedures, so that the purposes of the Decree are fulfilled in terms of the prevention of crimes.

This objective can be pursued through:

- 1) continuous awareness-raising and correct communication towards all company levels as well as the constant implementation of actions for the concrete implementation of the provisions of this Model implemented directly by the company functions;
- 2) the provision of clear and effective rules that allow everyone to carry out their functions and/or work assignments, behaving and operating in full compliance with the relevant laws; in this sense, the provision of the mapping of areas of activity at risk (*Risk assessment*), will allow you to act with full responsibility and awareness following the requirements;
- 3) the presence of a collegial Supervisory Body, in direct contact with the Administrative Body of CMC S.r.l., with monitoring and verification tasks on the effective functioning of the Model as well as on its compliance;
- 4) the analysis and direct verification of all the documentation and the Reporting produced, certifying the monitoring activities carried out;
- 5) the definition of existing tasks, authorities and authorisation procedures, in order to fully carry out the responsibilities assigned;
- 6) the constant attention to the continuous improvement of the Organisation, Management and Control Model through the analysis not only of the provisions of the procedures, but also of company behaviours and practices, intervening promptly with corrective and/or preventive actions where necessary; for this reason, it will also proceed to the periodic adaptation of the same (*Risk management*).

This document, drawn up in the form of a Company Policy, constitutes and describes the Organisation, Management and Control Model for the prevention of the offences provided for in Legislative Decree no. 231 of 8 June 2001 and subsequent amendments.

The same is prepared to ensure that the provisions made by the entity are coordinated with the discipline of the Law, with the aim of achieving the complete integration of the rules of conduct, of the principles and of the policy of C.M.C. S.r.l. as well as all the existing organisation and control processes, in implementation of the provisions of Legislative Decree no. 231/01 and the purposes of the standard.

The Model thus conceived makes it possible:

- ✓ to make the *governance* system already established compatible with the dictates of the 231 legislation;
- ✓ to subsequently adopt, in order to pursue ever greater management transparency, other management or *governance* systems that can easily integrate with existing ones.

In compliance with the assumptions just indicated, the Model also constitutes the basis for a correct assessment of the adjustment of C.M.C. S.r.l. to the provisions of Legislative Decree no. 231/01.

The provisions contained in the Model apply to all C.M.C. employees who, in any capacity, participate in or manage the reference processes or activities and/or the related data and information. They also apply to all those who are related to processes and/or information referable to subjects or entities external to C.M.C. S.r.l., such as, by way of example, customers, suppliers and third parties in general. In fact, by virtue of Legislative Decree no. 231/01, the Company is liable for crimes committed in its interest or for its benefit:

- by persons acting as representatives, administration or management of the entity or of an organisational unit of the company with financial and functional autonomy and persons who, also de facto, carry out the management and control of the entity (so-called apical persons pursuant to art. 5, paragraph 1, letter b), Legislative Decree no. 231/01);
- by persons subject to the direction or supervision of one of the subjects in an apical position (so-called persons subject to the direction of others; pursuant to art. 5, paragraph 2, Legislative Decree no. 231/01).

CMC is not liable, for express regulatory provision (art. 5, paragraph 2, Legislative Decree no. 231/01), if the persons indicated acted in the exclusive interest of themselves or third parties.

1.3. Document organisation

This General Part is divided as follows:

- ✚ an introductory part that deals with the topics covered, defining the purpose and scope of application of the document.
- ✚ a central part that constitutes the body of the document in which the following are reported:
 - ❖ the constituent elements of Legislative Decree no. 231/01;
 - ❖ the ethical principles;
 - ❖ the description of the model;
 - ❖ the Supervisory Body;
 - ❖ the reports of violations under the so-called whistleblowing regulations
 - ❖ the disciplinary system;
 - ❖ the methods of training, communication and dissemination;
 - ❖ the reference to the individual Special Parts.
- ✚ a concluding part containing the bibliography, acronyms, glossary and annexes.

2. LEGISLATIVE DECREE No. 231/2001

2.1. Subject

With Legislative Decree no. 231 of 8 June 2001 – Discipline of administrative liability of legal persons, companies and associations, even without legal personality, the legal principle of administrative liability of legal persons enters our legal system, when specific crimes are committed by "apical persons", managers, employees or third parties and provided that they have been committed in the interest or for the benefit of the entity itself. The liability thus identified is in addition to that of the material agent of the crime.

The exoneration of the liability of the body passes through the judgement of the suitability of the internal system of organisation and control, which the judge is called upon to express on the occasion of the criminal proceedings against the material perpetrator of the unlawful act. It is evident that the formulation of the organisation and control models must aim at the positive outcome of this suitability judgement.

Precisely according to this primary need, the Model adopted by C.M.C. S.r.l. takes its cue from the guidelines issued by Confindustria for the construction of a valid organisational and management system that can be based on the company reality and fully perform its prevention function. The path indicated by these for the elaboration of the Model can be schematised according to the following fundamental points:

- a) identification, within the individual company areas, of the activities and processes at risk (e.g. administrative area, financial - accounting area; production area, etc.);
- b) identification of the potential risks of committing the offences provided for by the legislation in the interest or for the benefit of the company;
- c) creation of a Supervisory Body (SB) that is in direct contact with the company's top management, but that does not depend on it except to a tolerable extent and that, therefore, is endowed with sufficient operational autonomy and judgement;
- d) definition of areas of responsibility and activities aimed at appropriate management of these areas;
- e) definition of internal procedures to manage activities at risk, in order to control and prevent possible commissions of offences;
- f) definition of adequate information systems of the SB and information between the latter and the company top management;
- g) preparation of a corporate Code of Ethics.
- h) provision of a disciplinary and sanctioning system in the event of non-compliance with the Model;

The achievement of the set objectives would first of all determine the optimisation of the company's internal management system, making the commission of crimes somewhat difficult, if not by implementing unpredictable activities of circumvention of procedures; moreover, it would exempt the entity from liability.

2.2. Type of offence

The type of offences provided for by Legislative Decree no. 231/01 that may constitute the administrative liability of the Body and that will be dealt with in more detail in the special parts of this document only to the extent that they refer to the company reality of CMC and the possibility that they may be perpetrated therein, are those included in the following categories:

- ❖ Offences provided for by art. 24: Undue receipt of disbursements, fraud against the State, a public body or the European Union or for the attainment of public disbursements, computer fraud against the State or a public body and fraud in public supply.
- ❖ Offences provided for by art. 24 *bis*: Administrative liability of the entities in relation to "Computer crimes and unlawful data processing" (so-called cyber crimes), in line with the profound changes dependent on digital technology and its rapid evolution, as well as the convergence and constant globalisation of computer networks, in execution of Law no. 48 of 18 March 2008 on "Ratification and execution of the Council of Europe Convention on Cyber crime, done in Budapest on 23 November 2001, and rules for adapting the internal legal system".
- ❖ Offences provided for by art. 24-*ter*: Organised crime offences.
- ❖ Offences provided for by art. 25: Embezzlement, malfeasance, undue incitement to give or promise utility, corruption and abuse of office.
- ❖ Offences provided for by art. 25 *bis* (introduced with Legislative Decree no. 350 of 25/9/2001, converted with amendments into Law no. 409 of 23/11/2001): Counterfeit coins, public credit cards and revenue stamps and instruments or signs of recognition.
- ❖ Offences provided for by art. 25-*bis*.1: Offences against industry and commerce.
- ❖ Offences provided for by art. 25 *ter*: Corporate offences.
- ❖ Offences provided for by art. 25 *quater* (introduced with Law no. 7 of 14/01/2003): Crimes with the purpose of terrorism or subversion of the democratic order.
- ❖ Offences provided for by art. 25 *quater*.1 (inserted by Law no. 7 of 9/1/2006): Practices of female genital mutilation.
- ❖ Offences provided for by art. 25 *quinquies* (inserted by Law no. 228 of 11/8/2003): Offences against the individual personality.
- ❖ Offences provided for by art. 25 *sexies* (inserted by Law no. 62/2005): Market abuse.
- ❖ Offences provided for by art. 25 *septies* (introduced by Law no. 123 of 3/8/2007 and subsequent amendments): manslaughter and serious or very serious negligent injuries committed in violation of accident prevention regulations and on the protection of hygiene and health at work.
- ❖ Offences provided for by art. 25-*octies*: Receiving, recycling and using money, goods or utilities from illicit sources, as well as self-recycling.
- ❖ Offences provided for by art. 25-*octies*.1: Offences relating to non-cash payment instruments.
- ❖ Offences provided for by art. 25-*novies*: Offences in respect of copyright infringement.
- ❖ Offences provided for by art. 25 *decies*: Inducement not to make declarations or to make false declarations to the judicial authority. (Legislative Decree no. 121 of 7/7/2011).
- ❖ Offences provided for by art. 25 *undecies*: Environmental offences (Legislative Decree no. 121 of 7/7/2011).
- ❖ Offences provided for by art. 25 *duodecies*: Employment of third-country nationals whose residence is irregular.
- ❖ Offences provided for by art. 25-*terdecies*: Racism and xenophobia (Law no. 167 of 20/11/2017).
- ❖ Offences provided for by art. 25-*quaterdecies*: Fraud in sports competitions, unlawful gambling or betting and gambling using prohibited equipment (Law no. 39/2019).
- ❖ Offences provided for by art. 25-*quinquiesdecies*: Tax offences (Legislative Decree no. 124/2019).
- ❖ Offences provided for by art. 25 *sexiesdecies*: Smuggling (Legislative Decree no. 75/2020).
- ❖ Offences provided for by art. 25 *septiesdecies*: crimes against cultural heritage.
- ❖ Offences provided for by art. 25 *duodevicies*: money laundering of cultural assets and devastation and looting of cultural and landscape assets.
- ❖ Liability of the entity deriving from administrative offence.
- ❖ Offences provided for by art. 10 Law no. 146 of 16/3/2006: Transnational offences.

If the offence is committed by a person functionally connected to the company, the same may also be liable for offences committed by them abroad pursuant to art. 4 of Legislative Decree no. 231/01.

2.3. Sanctions

The sanctions provided for administrative offences dependent on an offence are:

- financial penalties;
- disqualification sanctions;
- confiscation;
- publication of the sentence of conviction.

With greater explanatory effort, the entity held liable can be sentenced to four types of sanctions, different in nature and in method of execution.

I) The financial penalty

The financial penalty is always applied if the judge considers the entity responsible. It is determined by the judge on the basis of the so-called "quota" system. The extent of the financial penalty depends on the seriousness of the offence, the degree of liability of the company, the activity carried out to eliminate or mitigate the consequences of the offence or to prevent the commission of other offences. The judge, in determining the quantum of the sanction, also takes into account the economic and financial conditions of the company.

II) The disqualification sanction

The disqualification sanctions may be applied in addition to the financial penalties, but only if expressly provided for the offence for which one is proceeding and only in the event that at least one of the following conditions is met:

- a) the entity has made a significant profit from the offence and the offence has been committed by an apical person or a subordinate person, but only if the commission of the offence has been made possible by serious organisational deficiencies;
- b) in the event of repetition of the offences.

The disqualification sanctions provided for by the Decree are:

- ✚ temporary or permanent disqualification from carrying out business activities;
- ✚ the suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- ✚ the prohibition of negotiating with the Public Administration, except to obtain the performance of a public service;
- ✚ exclusion from benefits, loans, contributions or subsidies and the possible revocation of those already granted;
- ✚ the prohibition, temporary or permanent, to advertise goods or services.

Exceptionally applied with definitive effects, the disqualification sanctions are usually temporary, in a range ranging from three months to one year, and concern the specific activity to which the offence of the entity refers. They can also be applied as a precautionary measure, before the sentence of conviction, at the request of the Public Prosecutor's Office, if there are serious indications of the liability of the entity and there are well-founded and specific elements to make the danger of committing offences of the same kind as the one for which we are proceeding concrete.

III) Confiscation

Confiscation consists in the acquisition, by the State, of the price or of the unfair profit deriving from the commission of the offence or of a value equivalent to them. The profit of the offence must be considered as the economic advantage of direct and immediate causal derivation from the offence and concretely determined, net of the actual usefulness possibly achieved by the injured party, within the synallagmatic relationship with the entity. The case law has specified that any business parameter must be excluded from this definition, so that the profit cannot be identified with the net profit made by the entity, except in the case, provided for by law, of commissioning of the entity. Furthermore, the lack of capital decrease caused by the absence of costs that should have been incurred cannot be considered unrelated to the concept of profit.

IV) The publication of the sentence of conviction

The publication of the sentence consists of the publication of the sentence, executable only once, by posting in the Municipality where the entity has its main headquarters, as well as on the website of the Ministry of Justice.

Although applied by the criminal judge, all sanctions are of an administrative nature. The framework of sanctions provided for by the Decree is very strict, both because of the high amount of financial penalties, and because the disqualification sanctions can greatly limit the exercise of normal business activity, precluding a series of businesses.

The administrative sanctions against the institution are prescribed as of the fifth year from the date of commission of the offence.

The final conviction is registered in the national registry of administrative sanctions for crime of the entity, which acts as an archive containing all decisions relating to sanctions that have become irrevocable applied to the entities pursuant to the Decree.

2.4 Crimes committed abroad

Pursuant to art. 4 of the Decree, the entity may be held liable in Italy for predicate offences committed abroad. The Decree, however, makes this possibility subject to the following conditions:

- the Judicial Authority of the State in which the crime was committed does not proceed;
- the company has its head office in the territory of the Italian State;
- the crime is committed abroad by a person functionally linked to the company;
- the general procedural conditions provided for by articles 7, 8, 9, 10 of the Italian Criminal Code are in place in order to prosecute a crime committed abroad in Italy.

2.5 The amending events of the body

The Decree regulates the liability regime of the entity in the event of modification events, or in the event of transformation, merger, division and sale of the company.

The fundamental principle establishes that it is only the entity that is liable, with its own assets or with its own common fund, for the obligation to pay the financial penalty. The rule therefore excludes, regardless of the legal nature of the collective body, that members or associates are directly responsible with their assets.

As a general criterion, the principles of civil laws on the liability of the entity under transformation for the debts of the original entity are applied to the financial penalties imposed on the entity. On the other hand, disqualification sanctions remain the liability of the entity in which the branch of activity in which the offence was committed has remained, or has merged.

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

In the event of a merger, the entity resulting from the merger, including by incorporation, is liable for the offences for which the entities that participated in the operation were responsible. If it occurred before the conclusion of the judgement establishing the liability of the entity, the judge must take into account the economic conditions of the original entity and not those of the entity resulting from the merger.

In the event of sale or transfer of the company in which the offence was committed, except for the benefit of the prior enforcement of the transferring entity, the transferee is jointly and severally obliged with the transferring entity to pay the financial penalty, within the limits of the value of the company transferred and within the limits of the financial penalty that result from the mandatory accounting books or of which the transferee was in any case aware. In any case, the disqualification sanctions apply to the entities to which the branch of activity in the context of which the offence was committed has remained or has been transferred, even in part.

2.6 The adoption of the Organisation, Management and Control Model as a possible exemption from administrative liability

The Decree provides for companies to develop "Organisation, management and control models", drawn up and adopted for the specific purpose of preventing the commission of the offences covered by the Decree.

The existence of such "Models" prior to the commission of an offence, provided that they are adequate and effective, exempts the company from liability and avoids the application of financial penalties and possibly disqualifying sanctions.

In particular, art. 6 of the Decree provides that the company, in order to benefit from the exemption, must demonstrate that:

- a) the Governing Body has adopted and effectively implemented, prior to the commission of the act, Organisation and management models suitable for preventing offences of the kind that occurred;
- b) the task of monitoring the operation and observance of the Models and taking charge of their updating has been entrusted to a Supervisory Body of the company with autonomous powers of initiative and control;
- c) the persons committed the offence by fraudulently circumventing the Organisation and management models;
- d) there has been no omission or insufficient supervision by the body referred to in letter b).

The Decree also provides that the Models must meet the following requirements:

- a) identify the activities within which offences may be committed;
- b) provide for specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the offences to be prevented;
- c) identify ways of managing financial resources suitable to prevent the commission of crimes;
- d) provide for information obligations to the body responsible for supervising the functioning and compliance with the Models;
- e) introduce a disciplinary system suitable to penalise non-compliance with the measures indicated in the Model.

2.7 Sources and verification method

This OMCM adopted by C.M.C. S.r.l., as already highlighted in the introduction, in addition to the provisions of the Decree, has as reference points:

- ✓ the Self-Discipline Code for Corporate Governance of Borsa Italiana S.p.A.2;
- ✓ GdF Circular no. 83607/2012;
- ✓ the Confindustria Guidelines;
- ✓ CoSO Report I, II, III (Committee of Sponsoring Organizations of the Treadway Commission);
- ✓ the I.S.A. (International Standards on Auditing) relating to the risk of commission of crimes and offences³;
- ✓ the principles of Professional Practice in the field of auditing that refer to the latter and that meet the requirements of the CoSO Report I document;
- ✓ the Occupational Health and Safety Management System implemented according to the provisions of Legislative Decree no. 81/2008;
- ✓ the Ministerial Decree of 13 February 2014 (Official Gazette no. 45 of 24/2/2014) "Simplified procedures for the adoption of organisation and management models (OMM) in small and medium-sized enterprises (SMEs)".

The *Sources* indicated above are an integral part of this Model.

The procedures verified by the internal control questionnaires (ICQ) have been developed in the light of three key rules, specifically:

- a) the separation of roles in carrying out the activities inherent to the processes;
- b) the so-called "traceability" of the choices, that is, the constant visibility of the same (for example through specific documentary evidence), to allow the identification of precise "points" of liability (Strengths or *keys control*) and the "motivation" of the choices themselves;
- c) the objectification of decision-making processes, in the sense of providing that, in making decisions, one dispenses with merely subjective evaluations, referring instead to predetermined criteria.

3. PRINCIPLES AND ETHICS OF CMC S.R.L.

3.1. Company profile

C.M.C. S.r.l. (hereinafter also "the Company") was founded in 1998 with the mission of designing and building aerial platforms, investing in research, innovation, technology.

The Company's purpose is - among others - the following main activities¹:

- ✓ the construction of aerial platforms, self-lifting scaffolding, suspended cable scaffolding, metal carpentry of all kinds and types, machinery and electronic, electromechanical, crane and hydraulic components;
- ✓ the construction, installation, repair, maintenance of any kind and sort, on plants, machinery and equipment for industry, crafts, agriculture and commerce;
- ✓ the purchase, sale, rental of aerial platforms, people-carrying baskets, self-propelled vehicles, *dump trucks*, concrete mixers, concrete pumps, cranes, crane trucks, compressors, water pumps, winches, forklifts, bins, compactors, environmental equipment, tow trucks, lorries, tractors, ladders, moving ladders, hoists, off-road vehicles, cars, vans, trailers, bicycles, lifting devices.
- ✓ technical-management support services.

The *mission* of C.M.C. S.r.l. is the search for innovative solutions aimed at optimising production processes, in the sector of the construction of aerial platforms.

3.2 Governance Model of C.M.C. S.r.l.

The Company is administered by a Board of Directors² which is invested with broad powers for the ordinary and extraordinary management of the Company, with all the faculties for the implementation and achievement of the corporate purposes.

With the exception of the powers specifically attributed to the Chief Executive Officer³, it may therefore contract any kind of obligation and carry out any act of capital disposal without limitations of any kind, since everything is within his competence by law and by statute that is not expressly reserved for the resolutions of the Shareholders' Meeting⁴.

It is responsible for the strategic and organisational guidelines and for monitoring the Company's performance.

Representation is the liability of the Managing Director vis-à-vis third parties and in court, who has the right to appoint, within the scope of his powers, delegates, attorneys and proxies.

The Managing Director, within the scope of his powers and limits of economic commitment, acts with full knowledge of the facts and independently, pursuing the priority objective of creating value for the sole shareholder and, to this end, takes all the necessary and useful decisions to implement the corporate purpose.

The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, as well as compliance with the principles of

¹ Art. 14 of the Articles of Association of the Company C.M.C. S.r.l.

² See articles 14, 19 and 20 of the Articles of Association of the Company C.M.C. S.r.l.

³ As of 20 October 2022, the Board of Directors of C.M.C. S.r.l. has appointed two M.D.s.

⁴ See articles 23 and 26 of the Articles of Association of the Company C.M.C. S.r.l.

correct administration and, in particular, on the adequacy of the organisational, administrative and accounting structure adopted by the company and on its concrete functioning.

The statutory audit is entrusted, pursuant to article 2409 *bis* of the Italian Civil Code, to an independent auditing firm, PricewaterhouseCoopers S.p.A. (PWC).

As of 31 March 2023, the share capital of C.M.C. S.r.l. is owned by the following shareholders: sole shareholder NewCo C.M.C. S.p.A.

3.3 The organisational structure

The organisational structure of the C.M.C. S.r.l. is divided into the following areas⁵ reporting hierarchically to the Board of Directors:

- ✓ *Sales & Marketing*;
- ✓ Administration, Finance and Accounting;
- ✓ *Operations*;
- ✓ Technical Management.

There is also a hierarchically superior professional that monitors administrative and financial activities.

The structure of the Company's organisational system described above is represented in the following documents:

- ❖ company organisation chart;
- ❖ *job description*;
- ❖ procedural system⁶.

The organisational system is defined and communicated through the issuance of:

- ✓ organisational communications, the formalisation and dissemination of which is ensured by the competent departments;
- ✓ organisation charts prepared and updated by the relevant departments.

3.4 Certifications

As part of the improvement of its processes, the Company has obtained the following certifications:

- ✓ UNI EN ISO 9001:2015 "Quality management systems";
- ✓ CE certifications for Europe;
- ✓ AS 1418 certifications for Australia;
- ✓ TUV America certification for the US and Canadian markets.

The Company is also authorised to install, transform, expand and maintain systems for lifting people or things by means of lifts, hoists, escalators and the like (art. 1 of Legislative Decree no. 37/2008).

⁵ In accordance with the company organisation chart.

⁶ See Quality Manual.

On the basis of the verification of ethical behaviour in the corporate environment, the company also received, on 5 October 2021, from AGCOM the legality *rating*⁷, indicative of compliance with high standards of legality.

It should be noted that the Quality Management System is functional for the prevention of the offences referred to in Legislative Decree no. 231/2001 as it is likely, by its nature, to hinder both culpable conduct and malicious conduct that characterise the commission of crimes involving the administrative liability of the company.

The particular value of the safeguards mentioned above for the purposes of the prevention of crimes referred to in Legislative Decree no. 231/2001 will be, where necessary, specifically highlighted, with reference to each type of offence relevant for this purpose, in the Special Parts of the Organisation, Management and Control Model.

3.5. Code of Ethics and Rules of Conduct

CMC intends to operate according to ethical principles aimed at guiding the performance of the activity, the pursuit of the corporate purpose and the growth of the Company in compliance with the laws in force. To this end, it has adopted a Code of Ethics aimed at defining a series of principles of "corporate ethics" that the Company recognises as its own and which it demands compliance with by the Corporate Bodies, its employees and all those who cooperate in any way in the pursuit of corporate purposes.

The Code of Ethics therefore has a general scope and represents an important instrument for regulating CMC's activity.

The multiplicity of fields and socio-economic contexts with which the Company interacts, together with the methods of organisation, requires the commitment of all to ensure that the Company's activities are carried out in compliance with the law, with honesty, integrity, fairness and good faith, in compliance with the legitimate interests of customers, employees and the community with which the Company relates.

It was therefore appropriate to reiterate, with the adoption of the Code of Ethics, to all those who work in the Company or who work for the achievement of its objectives the importance of observing and enforcing these principles within the scope of their functions and responsibilities. In no way can the conviction of acting for the good of the Company justify the adoption of behaviours contrary to these principles.

Compliance with the rules of the Code of Ethics must be considered an essential part of the contractual obligations of the Board of Directors and, in any case, of all those who perform, in the Company, functions of representation, administration and management or management and control, of employees without exception, of employees and collaborators subject to the direction or supervision of senior corporate figures and - more generally - of anyone, including third parties (e.g. consultants, suppliers, partners, etc.), who maintains business relations with the Company or carries out activities on its behalf.

Training in the principles set out in the Code of Ethics is mandatory for all newly recruited personnel and - with varying frequency - for all Company personnel.

⁷ Identifier RT10113.

Ultimately, the Code of Ethics of CMC dictates the standards of conduct that all those who, directly or indirectly, permanently or temporarily, establish collaboration relationships for any reason or operate in the interest of the same, must apply in the conduct of business and in the management of company activities.

For details, please refer to the CMC Code of Ethics annexed to this Model.

3.6. Relationship between the Code of Ethics and the Organisation and Management Model

The Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01 is integrated with the principles and provisions of the CMC Code of Ethics. In this way, the uniqueness of CMC's system of governance of processes and *policies* is confirmed, also focused on the development of a culture of corporate ethics, in full harmony with the principles of conduct used in it.

In particular, the "Model" defined herein makes it possible to manage the need to prevent the commission of the offences provided for by Legislative Decree no. 231/01 and by the law in general, by means of specific *policies*, rules and procedures.

At the same time, the "Code of Ethics", which is an integral part of the "Model", is a tool of general scope for the promotion and dissemination of correct "Company Behaviours", with the aim of strengthening and enforcing to all the employees, collaborators, apical persons and to persons who have relationships with CMC, the values and rules of conduct to which the Company intends to constantly refer in its activities, in order to protect its reputation and image on the market.

3.7 General principles of internal control

The Internal Control System⁸ (ICS) is defined as the set of procedures or protocols supervised by the Administrative Body and the other members of the company structure, which aims at providing reasonable certainty regarding the achievement of the following objectives:

- compliance with laws and regulations;
- the prevention of crimes;
- effectiveness and efficiency of operational activities;
- reliability of information and economic / financial *reporting*;
- safeguarding company assets.

The internal control system is qualified by general principles whose field of application extends continuously through the different organisational levels.

CMC S.r.l. adopts a detailed articulation of procedures or protocols to regulate the different company activities, which are known and applied by employees⁹.

Together with the operating procedures, CMC S.r.l. applies its own Code of Ethics containing the principles and values to which the activities carried out by the Company's *governance*, employees and collaborators must conform.

⁸ Self-Discipline Code of Borsa Italiana S.p.A. Points 8. P.1. – 8. P.2. – document CoSO Report. I.

⁹ See Quality Manual.

The principles contained in the Code of Ethics are in line with the elements required by Legislative Decree no. 231/2001 and are suitable for preventing the commission of the crimes and offences indicated in the Decree.

CMC S.r.l. requires and imposes upon managers and employees to comply with these principles in all company areas, departments and functions, as well as requiring Third Parties to comply with them.

The task of supervising the correct and continuous application of these procedures or protocols is entrusted to the Supervisory Body as well as to *Governance*.

Failure to report to the SB, or failure to cooperate or partial cooperation with this Body constitutes a disciplinary offence,

To ensure the effective implementation of the organisational system, CMC S.r.l. has equipped itself with tools (organisation charts, indications of the managers of the individual areas, of their activities, descriptions of authorisation procedures), adequately disseminated within the Company. The system of proxies and powers makes it possible to identify the subjects with internal and external authorisation powers.

3.7.1 Control environment¹⁰

"Control environment" means the set of individuals making up the company, with their own qualities, ethical values and skills, and the environment in which they operate.

Factors affecting the control environment are:

- ✓ integrity, ethical values and competence of the personnel;
- ✓ management philosophy and style;
- ✓ how responsibilities are delegated;
- ✓ organisation and professional development of the personnel;
- ✓ ability to address and guide the administrative body.

Responsibilities and powers of representation must be defined and duly distributed, avoiding functional overlaps or operational allocations that concentrate critical activities on a single subject.

No operation significant to the operating unit may be originated / triggered without proper authorisation.

Operating systems must be consistent with the Company's policies and with the principles set out in the Code of Ethics adopted.

In particular, the Company's financial information must be prepared:

- in compliance with laws and regulations, statutory accounting standards and international *best practice*;
- in accordance with the defined administrative procedures;
- as part of a complete and updated accounts plan.

3.8 Assignment of powers

In the organisation of C.M.C. S.r.l., one can distinguish three different types of powers:

¹⁰ Principles of ISC taken from the CoSO Report I.

- ✚ powers towards third parties conferred by resolution of the Board of Directors,
- ✚ notarial power of attorney or internal delegation; powers for specific acts;
- ✚ management or authorisation within the company.

Powers for specific acts are powers conferred for activities or acts limited in space and/or time; they are conferred by special power of attorney by those who hold, by virtue of a power conferred on them, the relative delegation and in turn have among their powers the delegating power (e.g. M.D.).

Management or authorisation powers within the Company are those powers ordinarily exercised by staff (at various levels) in the management of business processes. They, consistent with the organisation of work and the outline of tasks and duties, form an integral part of the job content of the positions. These powers are defined and formalised through the set of the following company organisational documentation:

- organisation chart;
- *job description*;
- internal proxies;
- company procedures/rules;
- employment contracts entered into with employees.

The aforementioned internal powers, conferred by the administrative body and periodically updated according to the organisational changes in the Company's structure, are consistent with the organisational structure.

The power management system, as outlined above, is monitored in order to ensure its alignment with the organisation and the needs of the company.

In particular, the management system of powers and powers of attorney must comply with the following principles:

- existence of a general power of attorney or a special power of attorney of the persons in charge of maintaining relations with the Public Administration;
- management powers and powers of attorney must be consistent with the responsibility of the delegated entity, with its organisational position and with its *job description* and the company objectives;
- each description of the management powers conferred must unambiguously and specifically define the powers of the delegate and the subjects to whom the delegate reports hierarchically;
- there must be a formal acceptance of the powers conferred (both management and by notarial power of attorney) by the recipients, where expressly provided for by law;
- the delegated person must have spending powers appropriate to the functions and powers conferred.

3.9 Management procedures and systems

The Company has equipped itself, for the management of business processes, with a set of procedures issued by the competent functions as well as detailed operating instructions, aimed at regulating the performance of internal activities, in compliance with the principles indicated by the legislation (general/sectoral) and by the applicable regulations. The need is, in fact, to protect the correctness, safety, effectiveness and efficiency of company activities.

The Company operates using formalised procedures having the following characteristics:

- adequate dissemination within the company structures involved in the activities;
- regulation of the methods of carrying out activities;
- clear definition of the responsibilities of the activities, in compliance with the principle of



separation between the person who starts the decision-making process, the person who executes and concludes it, and the person who controls it;

- traceability of acts, operations and transactions through adequate documentary supports that attest to the characteristics and motivations of the operation and identify the subjects in various capacities involved in the operation (authorisation, execution, registration, verification of the operation);
- objectification of decision-making processes, through the provision, where possible, of defined criteria and reference methodologies for making company choices;
- provision of specific control mechanisms (such as reconciliations, accounting, etc.) such as to guarantee the integrity and completeness of the data managed and the information exchanged within the organisation.

The company procedures and rules are structured in a rigorous management system, which guarantees the uniqueness and traceability of the documents that are collected and made available to the personnel through a specific publication system, both physical and electronic, which guarantees the updating, correctness and completeness in the dissemination of information.

In addition to the organisational procedures mentioned above, the specific prevention protocols set out, for the sensitive activities of each family of offences, in the specific Sections of the Special Part of this Model are relevant for the purposes of the Model.

C.M.C. S.r.l. is certified according to the standard UNI EN ISO 9001: 2015.

The dissemination of procedures is strictly limited to the perimeter of CMC; all company personnel have access to all company procedures.

Company procedures are systematically disseminated to:

- ✚ personnel directly involved in the subject of the procedure;
- ✚ *governance*.

External dissemination is limited to cases of strict necessity or where provided for by written contracts with the constraint of confidentiality.

3.10 Risk assessment

The objectives of the Operating Units must be adequately defined and communicated at all levels concerned.

The risks associated with the achievement of the objectives must be identified, periodically providing for adequate monitoring and updating.

Adverse events able to threaten operational continuity should be subject to special risk evaluation and the adaptation of the protections.

3.11 Control activities

Operational processes must be defined by providing adequate documentary support (*policies*, operating standards, internal procedures, etc.) and/or system to allow them to be always verifiable in terms of congruence, consistency and liability.

Operational choices must be traceable in terms of characteristics and motivations and those who have authorised, carried out and verified the individual activities must be identifiable.

The exchange of information between contiguous phases / processes must include mechanisms to guarantee the integrity and completeness of the data managed.

Human resources must be selected, hired and managed according to criteria of transparency and in line with the ethical values and objectives defined by the Company.

The professional knowledge and skills available in the Operating Units must be periodically analysed in terms of congruence with the assigned objectives.

Personnel must be trained and trained to carry out the assigned tasks.

The acquisition of goods and services for business operation must take place on the basis of needs analysis and from appropriately selected and monitored sources.

3.12 Information and communication

There must be an adequate system of indicators for the process / activity and a relative periodic flow of *reporting* to the apical persons and the M.D.

The information, administrative and management systems must be oriented towards integration and standardisation.

3.13 Monitoring

The control system is subject to continuous supervision activities aimed at periodic evaluations and constant adaptation.

3.14 The Occupational Health and Safety control system

The protection of Health and Safety at Work constitutes an important element within the scope of the responsibilities of Employers and in corporate liability; it is developed through a set of choices and strategies that, in compliance with the legitimate expectations of the interested parties, contribute to increasing the value of a company.

In order to ensure control over these issues, the Company, starting from the in-depth analysis of risks to health and safety at work, and through an articulation of functions in possession of the necessary technical skills and powers, complies with all legal obligations relating to:

- ❖ compliance with the technical-structural standards of the law relating to equipment, plants, workplaces, chemical, physical and biological agents;
- ❖ risk assessment activities and preparation of the consequent prevention and protection measures;
- ❖ activities of an organisational nature, such as emergencies, first aid, contract management, periodic safety meetings, consultations of workers' safety representatives;
- ❖ health surveillance activities;
- ❖ information and training activities for workers;

- ❖ supervisory activities with reference to compliance with safe work procedures and instructions by workers;
- ❖ the acquisition of mandatory legal documentation and certifications;
- ❖ to periodic checks on the application and effectiveness of the procedures adopted.

3.15 Statutory Auditor

The statutory audit is entrusted, pursuant to article 2409 *bis* of the Italian Civil Code, to an independent auditing firm, PricewaterhouseCoopers S.p.A. (PWC).

PWC, as statutory auditor, verifies that the financial statements for the Company are prepared with clarity and represent in a truthful and correct manner the balance sheet and financial position, as well as the economic result of the Company.

4. THE ORGANISATIONAL MODEL

INTRODUCTION

This document arises from the need to provide C.M.C. S.r.l. with a Model that, upstream of the examination of the company's areas of activity, regulates the Company's production processes with an organic system of protocols aimed at preventing the risk of committing the crimes covered by Legislative Decree no. 231 of 8 June 2001.

For this reason, it was intended to provide the Company with a legally regulated instrument that can allow it to be exempt from the administrative liability referred to in the aforementioned legislative decree in the event of configuration of the predicate offences.

With greater explanatory commitment, this Model moves from a preventive perspective aimed at protecting CMC from the detrimental consequences resulting from the ascertainment of liability pursuant to Legislative Decree no. 231/2001, which, ultimately, would have negative repercussions both on the services provided and on the safeguarding of the company's employment level.

The Organisation, Management and Control Model (hereinafter also referred to as the "Model" or OMCM) adopted by CMC and presented here consists of:

- ✓ a General Part that sets out the principles of reference, the operating procedures of the Supervisory Body as well as the lines of conduct and the disciplinary system;
- ✓ nine Special Parts that indicate the various types of Crimes and Offences provided for by Legislative Decree no. 231/2001 together with the principles to which all *stakeholders* must refer in order to maintain relations with the Company;
- four Annexes (types of offences relevant pursuant to Legislative Decree no. 231/2001; definition of *stakeholders*; Code of Ethics of C.M.C. S.r.l.; *whistleblowing* policy and related documents).

This Model, in addition to the provisions of Legislative Decree no. 231 of 8 June 2001 "Discipline of the administrative liability of legal persons, companies and associations even without legal personality, pursuant to article 11 of Law no. 300 of 29 September 2000", has as reference points:

- ✓ the Self-Discipline Code for Corporate Governance of Borsa Italiana S.p.A.;
- ✓ GdF Circular no. 83607/2012;
- ✓ the Confindustria Guidelines;
- ✓ CoSO Report I, II, III (Committee of Sponsoring Organizations of the Treadway Commission);
- ✓ the I.S.A. Italy (International Standards on Auditing) relating to the risk of commission of crimes and offences;
- ✓ the principles of Professional Practice in the field of auditing that refer to the latter and that meet the requirements of the CoSO Report I document;
- ✓ the Occupational Health and Safety Management System implemented according to the provisions of Legislative Decree no. 81/2008;
- ✓ the Ministerial Decree of 13 February 2014 (Official Gazette no. 45 of 24/2/2014) "Simplified procedures for the adoption of organisation and management models (OMM) in small and medium-sized enterprises (SMEs)".

The *Sources* indicated above are an integral part of this Model which is embodied in an organic system of principles and procedures aimed at regulating the activities characterising the areas at risk of crime.

Finally, it should be noted that in the preparation of the Model, the existing and already operating procedures and Internal Control Systems (ICS) and/or "internal protocols" detected during the analysis of activities at risk (*As Is analysis*) were taken into account.

These internal control procedures and systems are suitable, on the one hand, as prevention and coverage measures against crimes and offences and, on the other, as control tools on the processes involved in the areas at risk.

4.1. Characteristics of the Model

Legislative Decree no. 231/2001 (art. 6), provides that the OMCM has certain "founding characteristics", such that, on the one hand, the so-called "exemption" from the Company's liability can be claimed in the event of the commission of crimes; on the other hand, these characteristics guide the implementation of the Model itself.

To this end, the *Governance* Body, with the help of professionals external to the company, must:

- carry out a risk mapping: analysis of the business context, processes and practices, to highlight in which area/sector of business activity and according to which methods harmful events may occur for the objectives indicated by the decree;
- proceed with the drafting of the internal control system (so-called internal protocols): evaluation of the "governance system" existing within the company in terms of its ability to effectively counteract / reduce the risks identified, and carry out any adaptation of the system itself;
- provide for information obligations to the internal Supervisory Body which is responsible for monitoring and verifying the operation and compliance with the Model, as well as taking care of any updating;
- systematic and periodic *auditing* activities: prepare (and/or adapt) the internal *auditing* processes, so that the functioning of the Model is periodically verified;
- define an appropriate disciplinary and sanctioning system: in the event of non-compliance with the provisions of the Model, against any perpetrator of the offence who has acted by fraudulently evading the provisions sanctioned by the same.

The Model provided for by the Decree can, therefore, be defined as an organic complex of principles, rules, provisions, organisational schemes and related tasks and responsibilities, functional to the implementation and diligent management of a system of control and monitoring of sensitive activities, in order to prevent the commission, even attempted, of the offences provided for by Legislative Decree no. 231/2001.

The "preventive" purpose of the Model is expressed both towards persons in an apical position and persons subject to the management of others operating in the Company.

Legislative Decree no. 231/2001 in article 6 provides that the Organisation, Management and Control Model addresses specific needs with a view to allowing the entity to benefit from the "exemption" from liability in the event of the commission of crimes.

To achieve this final result, a series of steps described below were carried out:

- ✚ **Risk mapping:** analysis of the business context, processes and practices, to highlight in which area/sector of business activity and according to which methods harmful events may occur for the objectives indicated by the Decree;

In particular, we proceeded for each area at risk

1. *to the description:*

- ✓ of the operational area and its business prerogatives;
- ✓ the company functions operating in the area and their tasks and responsibilities;
- ✓ of the procedures followed within the area for its proper functioning
- ✓ of the controls currently operating in the area itself.

2. *the identification of risks together with the implementation methods of the offences:*

The analysis carried out in this phase constitutes the preliminary phase to the design of preventive measures, which are underlying:

- ✚ **design of the Control System (so-called internal protocols):** evaluation of the "governance system" existing within the Company in terms of its ability to effectively counteract/reduce the risks identified and to carry out any adaptation of the system itself;
- ✚ **provision of information obligations to an Internal Supervisory Body:** establish the internal control body to monitor and verify the operation and compliance with the Model, as well as take care of any updating;
- ✚ **systematic and periodic auditing activities:** prepare (and/or adapt) the internal *auditing* processes, so that the functioning of the Model is periodically verified;
- ✚ **definition of an appropriate disciplinary and sanctioning system:** in the event of non-compliance with the provisions of the Model, against any offender who has acted by fraudulently evading the provisions of the Model.

The Model provided for by the Decree can, therefore, be defined as an organic complex of principles, rules, provisions, organisational schemes and related tasks and responsibilities, functional to the implementation and diligent management of a system of control and monitoring of sensitive activities, in order to prevent the commission, even attempted, of the offences provided for by Legislative Decree no. 231/2001.

The "preventive" purpose of the Model is expressed both towards persons in an apical position and persons subject to the management of others operating in the Company.

More in detail, the drafting of the Model aims to:

- determine, in all those who work in the name and on behalf of C.M.C. S.r.l., especially in the Risk Areas, the awareness of being able to incur, in case of violation of the provisions contained therein, in an offence subject to sanctions, on a criminal and administrative level, not only against themselves, but also against the Company;
- reiterate that such forms of unlawful conduct are strongly condemned by C.M.C. S.r.l., insofar as (even if the Company were apparently in a position to take advantage of it) they are in any case contrary, in addition to the provisions of the law, also to the ethical and social principles to which it intends to adhere in the performance of its business mission;
- allow C.M.C. S.r.l., thanks to a monitoring action on the Areas at Risk, to intervene promptly to prevent or combat the commission of crimes and offences.

Key points of the Model, in addition to the principles already indicated, are:

- ✓ awareness-raising and dissemination of the established rules of conduct and procedures at all levels of the company;
- ✓ the mapping of the Company's Risk Areas;
- ✓ the assignment to the Supervisory Body of specific supervisory tasks on the effective and correct functioning of Model 231;
- ✓ the verification and documentation of operations at risk;
- ✓ compliance with the principle of separation of functions;
- ✓ the definition of authorisation powers consistent with the assigned responsibilities;
- ✓ the verification of company behaviour, as well as the operation of the Model, with consequent updating and periodic adjustment (*ex-post* control).

4.2. Adoption of the Model

CMC, through the implementation of this Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01 intends to pursue the fundamental objective of implementing the articulation of the principles, processes, policies, procedures and behavioural practices, which integrate the existing *governance* system, also composed of internal organisational and control tools, so that the purposes of the Decree are fulfilled in terms of the prevention of crimes.

The achievement of the objective just highlighted certainly passes through:

- continuous awareness-raising and correct communication towards all levels of the company.
- the constant implementation of actions for the concrete implementation of the provisions of this Organisation, Management and Control Model, implemented directly by the company functions under the full responsibility of the Heads of each Organisational Unit.
- the provision of clear and effective rules that allow everyone to carry out their functions and/or work assignments, behaving and operating in full compliance with the relevant laws. To this end, the provision of the "Mapping of areas of activity at risk", allows anyone who is called to operate on behalf of CMC to act with full responsibility and awareness, following the requirements.
- the provision of a Supervisory Body, reporting directly to the Board of Directors, with monitoring and verification tasks on the effective functioning of the Model as well as on its compliance.
- the analysis and direct verification of all the documentation and "reporting" produced, certifying the monitoring activities carried out.
- the definition of existing tasks, authorities and authorisation procedures, in order to fully carry out the responsibilities assigned.
- the constant attention to the continuous improvement of the Organisation, Management and Control Model, analysing not only the provisions of the procedures in place, but also directing company behaviours and practices, intervening promptly with corrective and/or preventive actions where necessary, and thus also allowing the periodic adaptation of the Model itself.

4.3. Structure of the Model

This Organisation, Management and Control Model is integrated into the Process Governance System.

In particular, for the stated objectives, reference is expressly made to the instruments already operating in CMC (and briefly described and/or referred to herein), such as, by way of example, the Quality Manual prepared in accordance with the standard UNI EN ISO 9001:2015.

The Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01 defined by CMC on the basis of the general Model "suggested" by Confindustria consists of a 'General Part' and individual 'Special Parts' prepared for the different types of offences considered to be of possible risk in the light of company production processes.

In particular:

- **The General Part** (that is, this document) defines: the principles, logic and structure of the Model with particular reference to the Supervisory Body, the training of personnel and the dissemination of the Model in the corporate context, the disciplinary system and the measures to be adopted in case of non-compliance with the requirements of the Model;
- **"Special Part A"**: refers to offences against the Public Administration and its Assets and to the offence of inducement not to make statements or to make false statements to the Judicial Authority [articles 24, 25 and 25-*decies* of the Decree];
- **"Special Part B"**: refers to computer crimes and unlawful data processing (art. 24-*bis*);
- **"Special Part C"**: refers to organised crime offences (art. 24 *ter*, Legislative Decree no. 231/2001);
- **"Special Part D"** refers to corporate crimes and the crime of corruption between private individuals (art. 25 *ter*);
- **"Special Part E"**: refers to the crimes of manslaughter and serious or very serious negligent injuries, committed in violation of the rules on the protection of health and safety at work (art. 25-*septies*);
- **"Special Part F"**: refers to the crimes of receiving, laundering and use of money, goods or utilities of illicit origin as well as self-laundering (art. 25-*octies*);
- **"Special Part G"**: refers to environmental crimes (art. 25-*undecies*);
- **"Special Part H"**: refers to tax offences (art. 25-*quinquiesdecies*);
- **"Special Part I"**: refers to smuggling offences (art. 25-*sexiesdecies*).

The following additional tools are also part of this Model:

- ✓ *Administrative Management and Control System*: these are the practices that refer to the processes and activities specifically managed by the Administration, Finance and Accounting structure within CMC.
- ✓ *Organisational Structure*: means the Company Organisation Chart communicated and disseminated to all that illustrates the different organisational units of CMC, with identification of the hierarchical and/or functional levels, and indication of the direct Managers in charge.
- ✓ *Delegations and Power of Attorney*: established to allow a more efficient operation of the structures concerned, providing those responsible with the necessary powers to carry out the assigned activities.
- ✓ *Operational Provisions*: issued by the CMC Area Managers in written and dated form, for the regulation of certain operations, activities and/or business processes, containing the provisions addressed to the various managers/functions.
- ✓ *Risk assessment document*: for the safety and health of workers and related prevention and protection measures.

4.4. Implementation, Changes and Integrations of the Model

Pursuant to article 6, paragraph 1, letter a) of Legislative Decree no. 231/2001, the adoption of a valid Organisation and Management Model, as well as subsequent amendments and additions, is the responsibility of the administrative body.

This means that this document will be subject to periodic review by the Company at the behest of the Supervisory Body, which will use the support of the *Audit & Assurance* Function/Human Resources Manager to submit proposals for revision and integration to the Model to the Board of Directors. Consequently, the Board of Directors will decide to carry out the changes and additions to the Model, which, if modified, must be subsequently approved.

 **The Model may be modified for the following reasons:**

- ✓ changed business needs, without altering its essential function, as enshrined in the relevant legislation;
- ✓ new legislative provisions;
- ✓ violation of the requirements contained in the Model (or in the procedures referred to by it), such as to highlight, even indirectly, a vulnerability with respect to the risk of committing a certain crime.

The activities for the implementation of this Organisation, Management and Control Model are the direct responsibility of the company functions, under the full responsibility of the "Managers/Coordinators" of each Organisational Unit.

Below, in a schematic way, is the following summary matrix with some of the main activities related to the responsible parties.

Main activities	B.o.D.	M.D.	SB	Audit & Assurance	Head of Organisations I Unit	Employees	Third parties
Adoption of the Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01 /Amendments and Integrations	X						
Appointment of Supervisory Body and its members	X						
Implementation of the rules and obligations provided for in compliance with the Policies and Procedures	X	X	X	X	X	X	X

Proposals for modification / adaptation Org. Model pursuant to Legislative Decree no. 231/01 and its approval	X	X	X	X			
Reporting of any act/activity that induces (even potentially) a possible crime risk	X	X	X	X	X	X	X
Communication , Dissemination and Continuous Training on the Model pursuant to Legs. D. 231/01	X	X	X	X	X	X	X

5. THE SUPERVISORY BODY

5.1. Identification and Requirements of the Supervisory Body

The Organisation, Management and Control Model pursuant to Legislative Decree no. 231/01 is approved by resolution of the Board of Directors.

In this regard, the Board of Directors expressly declares that it is actively committed to respecting and enforcing the Organisation, Management and Control Model defined/updated.

The Board of Directors establishes the Supervisory Body, with the determination of the related authorities, powers, responsibilities and tasks specified below.

The Supervisory Body of CMC has the following requirements:

- ✓ independence;
- ✓ internal and external nature of the entity;
- ✓ adequate professionalism;
- ✓ autonomous powers of initiative and

control The SB:

- ✚ has the requirement of "continuity of action";
- ✚ promotes the necessary changes to the Crime Prevention Management System in order to keep it adequately updated;
- ✚ can acquire any useful information about the company
- ✚ structure; conducts internal verification activities;
- ✚ reports to the Board of Directors, to the M.D. and, if necessary, to the other corporate bodies (Sole Shareholder¹¹), on the verification activity carried out, also in view of the application of the disciplinary system.

To ensure compliance with this activity, the SB does not constitute an Organism subordinate to the company's top management, but a Body with independence in the execution of the control activity.

5.1.1. Independence

The necessary autonomy of the Supervisory Body of CMC is ensured, in fact, by the following:

- placement in a hierarchical position at the top of the CMC, reporting and responding directly and exclusively to the Board of Directors;
- possibility of direct transfer to the sole shareholder¹²;
- independently issuing its own Statute/Regulations made known to the Board of Directors;
- autonomous use of its own financial resources (i.e., provision of adequate financial resources that are used for every need required for the proper performance of the SB's own activities);
- presidency entrusted to a person not subject to the subordination constraint.

5.1.2. Internal and external nature of the body

As enshrined in article 6, paragraph 1, letter b) of Legislative Decree 231/2001, the Body must specify a ganglion within the body and, therefore, its function may not be fully entrusted externally.

¹¹ As of 31 March 2023, the share capital of C.M.C. S.r.l. is owned by the sole shareholder NewCo C.M.C. S.p.A.

¹² See note above.

5.1.3. Professionalism

The SB must possess technical-professional skills (knowledge of the internal structure of the company, skills in business, organisational and purely legal matters) appropriate to the functions it is called upon to perform. These characteristics, combined with independence, guarantee the objectivity of judgement. The necessary professionalism can also be acquired through the use of one or more external consultants, provided, however, that the aforementioned nature of the entity's body is not affected.

5.1.4. Autonomy in the initiative and control powers

The CMC Supervisory Body defines and autonomously carries out the activities for which it is responsible, including the main control activities.

The rules of internal functioning of the SB are defined by the same in its regulations/statute.

The clear division of the two moments follows the indication of the Confindustria Guidelines, which aim to give broad autonomy to the SB; in fact, while the Model (and its possible amendments) is approved by the Board of Directors, the Regulations/Statute of the SB (and its possible amendments) represent the operational self-regulation of the Body which, in fact, is approved in full autonomy by the SB itself.

5.1.5. Continuity of action and maintenance of the Model

The Supervisory Body must guarantee continuous operations, as well as, where necessary, a constant presence in the company in order to satisfy the constant supervision and control activities required by Legislative Decree no. 231/2001.

5.1.6. Conducting internal *audit* and information acquisition

The Supervisory Body for the execution of specific control activities makes use of the *Audit & Assurance* /Human Resources Manager function with which the annual plan of internal audits is prepared.

The acquisition of the information necessary for the operation of the SB is ensured:

- ✓ through the participation of one of the members of the SB in company decision-making moments: e.g. request for a meeting with the Board of Directors or with the M.D., meetings of the shareholders' meeting or any other committee entitled to make strategic and operational decisions that may reflect on the risks of crime pursuant to Legislative Decree no. 231/01;
- ✓ through information flows (to the SB) defined by the Model itself;
- ✓ in the different moments of Internal *Audit*;
- ✓ at the request of the SB itself to the structures concerned.

5.1.7. Reporting to the Corporate Bodies

The Supervisory Body reports directly to the Board of Directors and other corporate bodies.

The application of the provisions of the disciplinary system is referred to the Human Resources Manager, who duly and promptly informs the SB.

5.2. Appointment of the Members of the SB

CMC constitutes the internal body responsible for the Supervision and control of this Model, appointing the members of the Supervisory Body (SB), with a specific resolution of the Board of Directors

The members of the Supervisory Body may be appointed from both external and internal CMC entities, provided that they meet the requirements of professionalism and autonomy indicated in Legislative Decree no. 231/01.

Therefore, individuals found guilty of crimes covered by Legislative Decree no. 231/01.

In addition to what is explained in the previous paragraphs, the appointment as a member of the SB involves:

1. that each member of the SB is required to comply with the provisions of the Model in force at CMC from the time of appointment and throughout the term of office;
2. that each member of the SB is bound by secrecy with reference to news and information acquired in the exercise of their functions. The members of the SB ensure the confidentiality of the information acquired, in particular, if related to alleged violations of the Model; in addition, they refrain from seeking and using confidential information for purposes other than those provided for in art. 6 or, in any case, for purposes that do not comply with the tasks of the SB. Any information acquired by the SB is treated in accordance with current legislation on the subject and, in particular, with Legislative Decree no. 196 of 2003. Failure to comply with the above obligations by a member of the SB automatically results in forfeiture of office;
3. that the members of the SB, if in an employment relationship, are not subject, by virtue of this quality and within the scope of carrying out their function, to the hierarchical and disciplinary power of any other corporate body or function;
4. that CMC provides, at its own expense, legal assistance to each member of the SB to face any disputes arising from the performance of the assignment;
5. that the issues related to performance evaluation, career plan, salary reviews, transfer, change of role and, more generally, the professional growth of the members of the SB, are explained to the Board of Directors.

In particular, the independence of the members of the SB is expressly guaranteed and, therefore, any transfers, movements of organisational unit, role, company, headquarters, assignment of each member of the SB itself will be discussed and explained to the Board of Directors, upon notification approved by the SB by a majority of its members.

The Supervisory Body normally remains in office until the expiry of the mandate of the Board of Directors that appointed it. In any case, each term of office may not be less than 3 (three) years.

Any change over time in the composition of the Supervisory Body (new appointments and/or revocations of appointments in progress), must be resolved by the Board of Directors, after hearing the opinion of the Supervisory Body itself, to be acquired in the acts of the resolution.

Given that the obligations of the Supervisory Body are related to what is established by the Model in force during the appointment period and noted that, among the prerogatives of the SB also includes the obligation to periodically verify the Model, the same Supervisory Body will carry out

the periodic review of the Model, submitting it to the Board of Directors for approval and adoption. The adoption of the Model thus revised takes place by resolution of the Board of Directors, to which the binding opinion of the Supervisory Body must be attached.

5.3. Revocation, renunciation and resignation of the SB

Each of the members of the SB can resign from the position by justifying his or her decision. In full compliance with the ethical and behavioural principles that form the basis of this Organisation, Management and Control Model, each of the members of the Supervisory Body is also obliged to resign from office and/or from the body itself, in the event that, for any reason, there are causes of incompatibility and/or impossibility of continuation of activities and/or, in any case, in the event of a conflict of interest.

The Supervisory Body itself may request the Board of Directors to revoke the appointment of each member of the Supervisory Body for well-founded reasons or for obvious conflict of interest. The unjustified absence of a member of the SB at three or more meetings may result in removal from office. The expiration of the employment contract between the SB member and CMC normally entails the revocation of the assignment.

The Board of Directors may, on just cause and giving adequate reasons, revoke the appointment of each member of the Supervisory Body, and/or may appoint new members of the SB. Any change over time in the composition of the Supervisory Body (new appointments and/or revocations of appointments in progress) must be resolved by the Board of Directors, after hearing the binding opinion of the Supervisory Body itself.

This opinion must be reported in the minutes of the relative resolution of the Board of Directors. In addition, in order to further ensure the independence and integrity of the members of the SB, in the event of revocation and/or resignation from office, the evaluations relating to performance, career plan, salary review, transfer, change of role and, more generally, to the professional growth of the resigning or revoked members of the SB, are illustrated and approved exclusively by the shareholders' meeting for the 3 (three) years following the same revocation or resignation. This decision must be reported in the minutes of the meeting whose agenda includes the acceptance of the resignation/revocation of the appointment.

Causes of ineligibility or revocation: causes of ineligibility to the SB and incompatibility with permanence in office:

- a) the conviction, with a judgement also in the first instance or plea bargain, for having committed one of the offences provided for by the Decree;
- b) the sentencing to a penalty that entails disqualification, even temporarily, from public offices or temporary disqualification from the management offices of legal persons.

In addition, no members of the Supervisory Body may be appointed who:

- c) are in one of the conditions of ineligibility or forfeiture provided for by art. 2382 of the Italian Civil Code;
- d) are managing directors or members of the executive committee of the Company or of a parent company;

- e) those who perform management functions or are managers at the Company or a parent company and hold the power to take management decisions that may affect the evolution and future prospects of the Company;
- f) are the spouse, cohabitant, a relative within the fourth degree or a related person within the second degree of any of the subjects referred to in points d) and e) above;
- g) have professional or commercial or business relationships with any of the subjects referred to in points d) and e) above.

5.4. Function, activities and powers of the Supervisory Body

Taking into account the peculiarity of the powers of the SB and the specific technical skills required in the performance of its tasks, the SB of CMC:

1. makes use of the support of the Manager of the following areas/functions: Human Resources, Administration, Finance and Accounting; Security; *Operations*; Technical Management; Purchasing; *Sales & Marketing*.
2. he or she can make use of the support of the other company functions;
3. he or she can make use of professionals and/or external consultants.

In addition to the requirements of the SB (referred to above), the performance of the activities of the SB is based on the essential principle of the effectiveness of controls in relation to the size and organisational complexity of the company.

In this regard, it should be noted that the various corporate bodies, including the Board of Directors, as well as the Area Managers, although with the establishment of the Supervisory Body pursuant to Legislative Decree no. 231/01, retain all the powers and responsibilities provided for by the aforementioned Decree, the Italian Civil Code and the law in general, to which is added that relating to the adoption of the Model, its effectiveness, compliance with the provisions set forth therein, as well as the establishment of the Supervisory Body.

At the same time, the activities necessary and instrumental to the implementation of the provisions contained in the Organisation, Management and Control Model are carried out directly by the company functions, under the full responsibility and awareness of the Area Managers, as shown in the organisational design of the Model itself.

In detail, the activities that, also on the basis of the indications contained in articles 6 and 7 of Legislative Decree no.

231/2001, the Supervisory Body of CMC is called upon to carry out can be summarised as follows:

- it is part of the corporate governance structure and is therefore informed/involved in corporate governance decisions;
- it participates, through its own member, in the meetings of the shareholders' meeting or any other committee entitled to make strategic and operational decisions that impact on the risks of crime pursuant to Legislative Decree no. 231/01;
- it is constantly, promptly and systematically informed of all facts, operations and events concerning the management and governance of CMC;
- it is endowed with the authority and powers to supervise autonomously the operation and observance of the Model, to guarantee the effectiveness and rationality of the Model, to examine the adequacy of the same (pursuant to art. 6, paragraph 1, letter b) of Legislative Decree no. 231/2001: the Body is equipped with "autonomous powers of initiative and control" for the various company functions);
- it is also responsible for taking care of the proposals for the necessary updates and/or changes to the Organisation, Management and Control Model. These updates and/or changes are then duly approved by the Board of Directors of CMC;

- it monitors the effectiveness of the Model: which consists of verifying the consistency between the behaviours concretely implemented in the company and the provisions contained in the established Model;
- it evaluates the adequacy of the Model: that is, its real (and not merely formal) ability to prevent, in principle, unwanted behaviour;
- it analyses the maintenance over time of the functionality requirements of the Model;
- it takes care of the necessary updating of the Model: in the event that the analyses carried out make it necessary to make corrections and adjustments. This update is divided into two distinct and integrated phases:
 1. submission of proposals to the Board of Directors to adapt the Model Depending on the type and scope of the interventions, the adaptation proposals may also be directed towards the specific company functions.
 2. systematic and complete verification of the implementation and effective functionality of the proposed and defined solutions.
- it coordinates with the managers of the other company areas for the different aspects related to the implementation of the Model (definition of standard clauses, staff training, disciplinary measures, etc.);
- it verifies the system of proxies and powers in force, recommending the appropriate changes in the event that the management power and/or qualification does not correspond to the proxies of representation conferred on company representatives;
- it convenes the Auditor/Legal Advisor to submit questions related to the interpretation of the relevant legislation, the Model, as well as requests their advice and support in the process of taking initiatives or decisions;
- it periodically verifies, with the support of the competent functions, the validity of the standard clauses aimed at the implementation of sanctioning mechanisms (such as withdrawal from the contract with regard to consultants, suppliers or other third parties) in the event of violations of the provisions;
- it promptly reports any critical issues relating to the existence of any atypical financial flows characterised by greater margins of discretion than ordinarily envisaged, proposing the appropriate operational solutions.
- it ensures the relevant information flows;
- it ensures the preparation of the Annual Supervisory Programme, within the various sectors of activity;
- it ensures coordination in the implementation of the Supervisory Programme and the implementation of planned and unscheduled control interventions.

These activities are specialist in nature, prior to inspection, and require knowledge of typical professional techniques and tools, as well as continuity of action in the company.

Therefore, the members of the SB maintain an adequate level of training on the issues and/or disciplines addressed in the performance of their work.

However, the SB may make use of the work of professionals external to the company, for specific issues to be analysed, in order to carry out a correct prevention, supervision and control action.

The Supervisory Body is also entrusted with the tasks of:

- processing the results of the *auditing* activities carried out;
- preparing the relevant reports to the Management and/or the other departments concerned;
- ensuring the updating of the mapping of areas at risk of crime;
- defining the contents of the information flows to the Supervisory Body by the other company functions;

- reporting, to the competent departments, the news of the violation of the Model and monitoring, in agreement with the M.D. and the Human Resources Manager, the application of disciplinary sanctions;
- promoting initiatives for the dissemination of knowledge of the Model as well as for the training of personnel and their awareness of the observance of the principles enshrined therein, in agreement with the Head of Human Resources.

The Supervisory Body has the right to request and/or assign to third parties, in possession of the specific skills necessary for the best execution of the assignment, tasks of a purely sectoral nature. The Supervisory Body may, at any time, access, without limitation, company information in order to carry out investigation, analysis and control activities.

Therefore, it can consult documents, access company information systems to acquire data and/or information, verify the work of the functions as well as carry out interviews with the people in charge in the individual phases of a certain process at risk.

These operations are always and in any case carried out in complete harmony with the manager at the highest hierarchical level of the function concerned.

It is the obligation of any company function, employee and/or member of the corporate bodies, also, but not exclusively, upon the occurrence of events or circumstances relevant for the purposes of carrying out the activities of the Supervisory Body, to provide all the information requested by the latter.

The Supervisory Body follows an appropriate *auditing* programme annually defined, in order to verify the adequacy of the Model.

To this end, the SB may carry out checks:

- ✓ on a sample basis on the individual acts and/or activities of the company that refer to the processes at risk;
- ✓ on business processes, in order to verify the effectiveness of the rules and/or *policies* defined, the level of awareness and knowledge by the people, as well as to evaluate any necessary improvement needs.

5.5. Obligations to provide information to the Body

The flow of information to the Supervisory Body is a mandatory requirement for all persons and/or company functions of reference in the context of the activities carried out for the prevention of the offences provided for by the Decree.

To allow the proper functioning of the SB, all CMC employees and third parties are required to comply with the information flows gradually provided for by:

1. this Model;
2. the Business Process Governance System that implements the Model through *Policies* and Procedures;

To this end, information must be transmitted to the SB concerning behavioural conduct that is in abstract violation of the principles and protocols enshrined in the Model and the Code of Ethics, as well as information on all those events that are, in any way, related to activities at risk of crime.

The Supervisory Body must be promptly informed of any existing or future changes, inherent and/or concerning the Organisation, Management and Control Model and/or the corporate structure/the structure in general.

The Supervisory Body must be informed, by means of appropriate reports by the persons required to comply with the Model, about events that could give rise to liability for CMC pursuant to Legislative Decree no. 231/2001.

Below are some general requirements:

1. it participates, through its own member, in the shareholders' meeting, in the meetings of the Board of Directors or any other committee entitled to make strategic and operational decisions that impact on the risks of crime pursuant to Legislative Decree no. 231/01;
2. all the proxies and/or powers of attorney defined for the various managers and/or subjects operating in one of the activities defined as a crime risk must be communicated to the Supervisory Body;
3. all possible reports relating to the commission, or the reasonable danger of commission, of the crimes contemplated by Legislative Decree no. 231/2001, or, in any case, conduct not in line with the ethical principles and rules of conduct referred to in this Model; in addition, annually each Manager must send the SB a report on the status of application of the Model within its organisational unit
4. the Health and Safety Officer (Head of the Prevention and Protection Service) must send a copy, also to the Supervisory Body, of all the reports relating to the activities carried out, which he or she periodically sends to the employer or his or her delegate, taking care to also highlight any lack of adjustments, reported because they are considered useful, although not necessary;
5. each CMC employee must report the violation (or even the alleged violation) of this Model, by contacting their direct hierarchical superior and/or the Supervisory Body (with the provision of the Supervisory Body, "dedicated information channels" are established to facilitate the flow of reports and unofficial information, which in any case guarantee the confidentiality of the report);
6. consultants, collaborators and business partners, with reference to their activity with CMC, report directly to the Supervisory Body through "dedicated information channels" to be defined contractually;
7. the Supervisory Body must receive information relating to disciplinary proceedings arising from the violation of the Model, including those relating to the related sanctions imposed;
8. the Supervisory Body is required to correctly evaluate the reports received and the activities to be carried out. Any consequential measures must be defined and applied in accordance with the provisions of the company's disciplinary system;
9. the Supervisory Body may not take into consideration any anonymous reports.

It is the precise commitment of the Supervisory Body of CMC to ensure the necessary and due confidentiality regarding the identity of the persons making the reports, in order to avoid any form of retaliation, discrimination or penalty.

It is also the duty of the Supervisory Body of CMC to implement any disciplinary actions resulting from the receipt of false news and/or information, provided in bad faith and/or with malicious intent.

It is understood that the action of the Supervisory Body is inspired by the constant compliance with regulatory precepts as well as the need to protect the rights of the company and of the people who, in various capacities, work with and for it.

In addition to the reports, even unofficial, indicated above, the following information must be sent to the Supervisory Body of CMC:

- the measures and/or news coming from judicial police bodies, or from any other authority, from which it can be inferred that investigations are being carried out, even against unknown persons, for the crimes and offences provided for by the Decree in question; the requests for legal assistance made by managers and/or employees in the event of the initiation of judicial or administrative proceedings for the crimes and offences provided for by the Decree in question;

- the reports prepared by the heads of the various company functions as part of their control activities and from which facts, acts, events or omissions may emerge with critical profiles with respect to compliance with the rules of the Decree;
- news relating to the effective implementation, at all company levels, of the Model with evidence of the disciplinary proceedings carried out and any sanctions imposed or of the measures for the filing of such proceedings with the related reasons.

Periodically, the SB of CMC proposes, where appropriate, to the Administrative Body any changes to the list indicated above.

5.6. Reports of violations under the so-called *whistleblowing* regulations.

Legislative Decree no. 24 of 10 March 2023, which transposes EU Directive 1937/2019, considerably expands the scope of the obligation to establish channels (and procedures) for reporting unlawful behaviour (*whistleblowing*), with the related whistleblower protections.

If until now the obligation was reserved only to the persons required to adopt the organisation models pursuant to Legislative Decree no. 231/2001¹³, it now extends:

- to public sector entities, including publicly controlled and *in-house* companies;
- to all persons in the private sector who have employed on average at least fifty employees with a permanent or fixed-term employment contract in the last year.

And, again, regardless of the size requirement of the fifty employees, entities that fall within the scope of the rules on financial services, products and markets and prevention of money laundering or the financing of terrorism, transport safety and environmental protection are also subject to the obligation, as well as all entities that fall within the scope of the European Union acts referred to in Parts I.B and II of the Annex to Legislative Decree no. 24/2023.

As evidenced by article 1 of Legislative Decree no. 24/2023, the "purpose" is that of *"protection of persons who report violations of national or European Union regulatory provisions that harm the public interest or the integrity of the public administration or private body, of which they have become aware in a public or private work context"*; however, *"personal"* claims or in any case related *"to one's individual employment relationships"* are excluded from protection.

By virtue of the new regulatory provisions, the objective scope of application is extended.

In fact, the list of offences that can be reported is no longer limited to the predicate offences provided for by Legislative Decree no. 231/2001, but extends to a vast catalogue of violations, of which the whistleblower has become aware in the workplace.

The offences that may be subject to reporting are those relating to:

- public procurement, services, products and financial markets and prevention of money laundering and the financing of terrorism;
- product safety and compliance;

¹³ Article 24 of Legislative Decree no. 24 of 10 March 2023 has also amended article 6, paragraph 2 *bis* of Legislative Decree no. 231/2001, which now provides that "The models referred to in paragraph 1, letter a), provide, pursuant to the legislative decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, for internal reporting channels, the prohibition of retaliation and the disciplinary system, adopted pursuant to paragraph 2, letter e)".

- transport safety;
- environmental protection; radiation protection and nuclear safety;
- food and feed safety and animal health and welfare;
- public health;
- consumer protection;
- protection of privacy and protection of personal data and security of networks and information systems;
- acts or omissions that harm the financial interests of the EU;
- acts or omissions concerning the internal market, including breaches of EU competition and State aid rules;
- relevant unlawful conduct pursuant to Legislative Decree no. 231 of 8 June 2001 or violations of Model 231;
- corporate tax violations.

Finally, the legislation on *whistleblowing* also applies to administrative, accounting, civil or criminal offences that do not fall within the above points.

As mentioned above, *whistleblowing* does not concern disputes, claims or requests related to a personal interest of the whistleblower or the complainant, which relate exclusively to their individual employment relationship or their relationships with hierarchical superiors.

The whistleblower is defined by article 2, paragraph 1, letter g), of the same Legislative Decree as “the natural person who makes the report or public disclosure of information on violations acquired within his or her work context”, where, for “work context”, in the same way as the following letter i), it must be understood as “the work or professional activities, present or past, carried out within the relationships referred to in article 3, paragraphs 3 or 4¹⁴, through which, regardless of the nature of such activities, a person acquires information on violations and within which he or she could risk retaliation in the event of reporting or public disclosure or complaint to the judicial or accounting authority”.

¹⁴ In order to make it easy to consult, paragraphs 3 and 4 of article 3 of Legislative Decree no. 24/2023 are reported: “3. Except as provided in paragraphs 1 and 2, the provisions of this decree apply to the following persons who report, file a complaint to the judicial or accounting authority or publicly disclose information about violations of which they have become aware within their work context: **a)** employees of the public administrations referred to in article 1, paragraph 2, of Legislative Decree no. 165 of 30 March 2001, including employees referred to in article 3 of the same decree, as well as employees of independent administrative guarantee, supervisory or regulatory authorities; **b)** employees of public economic entities, private law entities subject to public control pursuant to article 2359 of the Italian Civil Code, in-house companies, public law bodies or public service concessionaires; **c)** employees of private sector entities, including workers whose employment relationship is governed by Legislative Decree no. 81 of 15 June 2015, or by article 54-bis of Decree-Law no. 50 of 24 April 2017, converted, with amendments, by Law no. 96 of 21 June 2017; **d)** self-employed workers, including those indicated in Chapter I of Law no. 81 of 22 May 2017, as well as holders of a collaboration relationship referred to in article 409 of the Code of Civil Procedure and article 2 of Legislative Decree no. 81 of 2015, who carry out their work at public or private sector entities; **e)** workers or collaborators, who carry out their work at public or private sector entities that provide goods or services or who carry out works for third parties; **f)** freelancers and consultants who work at public or private sector entities; **g)** volunteers and trainees, paid and unpaid, who work at public or private sector entities; **h)** shareholders and persons with administrative, management, control, supervisory or representative functions, even if these functions are exercised on a purely de facto basis, at public or private sector entities. 4. The protection of reporting persons referred to in paragraph 3 also applies if the reporting, the complaint to the judicial or accounting authority or the public disclosure of information takes place in the following cases: **a)** when the legal relationship referred to in paragraph 3 has not yet started, if the information on violations was acquired during the selection process or at other pre-contractual stages; **b)** during the probationary period; **c)** after the dissolution of the legal relationship if the information on violations was acquired during the course of the same relationship. “.

The legislation provides for the establishment of a communication channel that is easily accessible and known to all, created in such a way as to guarantee the confidentiality of the identity of the person making the report, its content and related documentation.

In this sense, article 12 of Legislative Decree no. 24/2023 adopts multiple measures to protect the confidentiality of the whistleblower, in the hypothesis, evident in paragraphs 1 and 5, that he or she is identified.

The reports concern information, including well-founded suspicions, concerning violations committed or that, on the basis of concrete elements, could be committed in the organisation with which the reporting person or the one who makes a complaint to the judicial or accounting authority has a legal relationship (art. 2, paragraph 1, letter b), Legislative Decree no. 24/2023); to this end, the *whistleblower* must provide all the useful elements to allow due and appropriate verifications and assessments to be carried out to verify the substantiation of the facts being reported.

In more detail, the report must contain the following elements:

- a clear and complete description of the reported facts;
- if known, the circumstances of the time and place in which they were committed;
- if known, the general information or other elements (such as the qualification and the service in which the activity is carried out) that allow the identification of the person(s) who has/have taken part in the reported facts;
- the indication of any other persons who may report on the facts subject to reporting;
- the indication of any documents that may confirm the substantiation of these facts;
- any other information that may provide useful feedback on the existence of the reported facts.

Anonymous reports, i.e. without elements that allow their author to be identified, provided that they are delivered in the manner provided for in Annex D of Model 231 adopted by the company, will be taken into consideration where they are adequately detailed, or are such as to bring out facts and situations relating them to specific contexts (for example: indications of names or particular qualifications, particular events, etc.).

The company has activated its own internal reporting channel to guarantee the confidentiality of the identity of the whistleblower, the content of the report and the related documentation.

The management of the internal reporting channel is entrusted to a dedicated internal person/office with specifically trained personnel for the management of the reporting channel or to an external entity, also autonomous and with specifically trained personnel; in this regard, please refer to the specific applications contemplated in Annex D.1 of Model 231 of C.M.C. S.r.l. called "Whistleblowing Policy".

The reports are transmitted in written form, using the model published on the company website www.cmclift.com, orally (through a dedicated telephone line and an *ad hoc* messaging system) or, at the specific request of the whistleblower, through direct meetings.

In addition, in accordance with article 6 of the aforementioned legislative decree, the reporting person, when the conditions provided for therein are met, may make an external report to be addressed to the National Anti-Corruption Authority (ANAC)¹⁵.

¹⁵ Art. 6, Legislative Decree no. 24/2023: "Conditions for making the external report": "1. *The reporting person may make an external report if, at the time of its submission, one of the following conditions is met:*

a) *there is no provision, within its working context, for the mandatory activation of the internal reporting channel or this, even if mandatory, is not active or, even if activated, does not comply with the provisions of article 4;*
b) *the reporting person has already made an internal report pursuant to article 4 and the same has not been followed up;*



c) the reporting person has reasonable grounds to believe that, if they were to make an internal report, there would be no effective follow-up.

A communication flow with the SB is also activated, through which the latter can receive reports concerning the violation of the company Model 231 or of Legislative Decree no. 231/2001 received through the internal reporting channel.

The SB assesses the relevance pursuant to Legislative Decree no. 231/2001 of the reports received, putting in place any activity deemed necessary for this purpose and, making use, if necessary, of the collaboration of the competent company structures; the SB, if it finds violations of the Model, or relevant profiles from a 231 perspective, notifies the Administrative Body as part of the reporting process.

The results of the evaluations will also be communicated to the whistleblower.

The Body shall keep, for a maximum period of five years from the date of communication of the final outcome of the procedure, the hard copy and/or electronic copy of the reports received.

CMC guarantees the protection of any reporting party against any form of retaliation, discrimination or penalty, in accordance with the provisions of articles 2, paragraph 1, letter m) and 17 of Legislative Decree no. 24/2023.

The Company therefore refrains from carrying out direct or indirect retaliatory or discriminatory acts against the whistleblower or the complainant (such as, by way of example, dismissal, change of duties, transfers, subjecting the whistleblower to organisational measures with negative effects on working conditions).

As a result, employees (with any type of contract), persons not yet hired who have learned information about violations during the selection process or at other pre-contractual stages, but also self-employed workers, professionals and consultants, coordinated and continuous or even occasional collaborators, volunteers and trainees, administrators, former workers with reference to information about violations acquired during the employment relationship are protected by the protection granted by the aforementioned regulatory source to the whistleblower or complainant. Likewise for the “facilitator”, that is, for the “*natural person who assists a reporting person in the reporting process, operating within the same work context and whose assistance must be kept confidential*” (art. 2, paragraph 1, letter g), Legislative Decree no. 24/2023).

5.6.1. Management of the internal reporting channel

As previously reported, the management of the internal reporting channel is entrusted to a dedicated internal person/office with personnel specifically trained for the management of the reporting channel or to an external entity, also autonomous and with personnel specifically trained for this activity¹⁶.

The person in charge of managing the reporting channel must issue the notice of receipt of the report to the whistleblower within seven days from the date of receipt and may request, if necessary, integration.

He or she must then follow up on the report, taking action to assess the existence of the reported facts and adopt any consequent measures.

effective follow-up or that the report itself may determine the risk of retaliation; d) the reporting person has reasonable grounds to believe that the violation may constitute an imminent or obvious danger to the public interest.”.

¹⁶ In this regard, please refer to the application specifications contemplated in Annex D.1 of Model 231 of C.M.C. S.r.l. called “Whistleblowing Policy”.

Within three months from the date of the notice of receipt, the reporting party must be notified of the information relating to the follow-up that has been given or that is intended to be given to the report.

The person who manages the reporting channel must also make clear information about the channel, the procedures and the conditions for making internal reports available to all employees. Similar information must be given with reference to the external reporting channel prepared by ANAC, to which it is possible to turn in the presence of particular conditions.

The information must be exhibited and made easily visible in the workplace and also accessible to those who, although not attending the workplace, are among the possible whistleblowers (for example, freelancers and consultants).

For this reason, CMC has intended to publish the aforementioned information in a dedicated section of the company website www.cmclift.com.

5.6.2 Protection of the *whistleblower*

A) Confidentiality obligations on the *whistleblower's* identity

Except in cases where liability by way of slander and defamation is configurable pursuant to the provisions of the Italian Criminal Code or art. 2043 of the Italian Civil Code where the wilful misconduct or gross negligence of the whistleblower is ascertained or in cases where anonymity is not opposable by law (e.g. criminal investigations), the *whistleblower* is guaranteed confidentiality: the identity cannot be revealed without his or her consent to persons other than those competent to receive or follow up on the reports. The aforementioned protection operates under two conditions:

- ✓ at the time of reporting, the whistleblower must have reasonable grounds to believe that the information on the violations is true and falls within the objective scope outlined by law;
- ✓ the report must be made on the basis of the provisions of the standard for internal, external and public reports.

Therefore, subject to the above exceptions, the identity of the whistleblower cannot be revealed without his or her express consent.

B) Prohibition of retaliation against the *whistleblower*

Any form of retaliation or discriminatory measure, direct or indirect, affecting the employment relationship for reasons directly or indirectly related to the report or complaint is not allowed against the employee who makes a report pursuant to this procedure or who makes a complaint to the judicial or accounting authority.

Protection consists primarily of the prohibition of retaliation, defined as any behaviour, act or omission, even if only attempted or threatened, put in place by reason of the report or complaint and which causes or may cause unjust harm.

Legislative Decree no. 24/2023 contains a long list of possible retaliatory acts: from dismissal to disciplinary sanctions, transfer, change of duties and hours, non-renewal or early conclusion of a term contract, negative notes of merit, non-promotion, cancellation of a permit and so on.

As for dismissals, article 4 of Law no. 604/1966 changes to invalid ones, including those resulting from reporting, complaint or public disclosure made pursuant to the aforementioned legislative decree.

In the event of a judicial dispute, it is presumed that the acts prejudicial to the whistleblower or the complainant were put in place because of the report or complaint and are therefore retaliation. The employer must prove that the conduct or measures are motivated by reasons unrelated to the report or complaint.

If the reporter acts for the compensation of a damage and proves to have made a report, it is presumed, unless there is evidence to the contrary, that the damage derives from said report; likewise for the author of a complaint to the judicial or accounting authority.

Without prejudice to the exceptions referred to above, the *whistleblower* is guaranteed confidentiality: the identity cannot be revealed without his or her consent to persons other than those competent to receive or follow up on reports.

The protection provided in favour of the *whistleblower* also extends to the facilitators, or, pursuant to article 2, paragraph 1, letter i) cited in Legislative Decree, to the "*natural person who assists a reporting person in the reporting process, operating within the same work context and whose assistance must be kept confidential*", as well as to relatives and work colleagues who have with the reporting person "*a habitual and current relationship*" (article 3, paragraph 5, letters b) and c) cited in the Legislative Decree).

Employees who believe that they have suffered discrimination due to the fact that they have made a report of wrongdoing must give detailed notice of the discrimination to the internal person/autonomous dedicated office / external person who, having assessed the existence of the elements, reports the hypothesis of discrimination to the Head of the Human Resources area, who must promptly inform the administrative body.

The Head of the Human Resources area – in discussion with the administrative body - promptly assesses both the opportunity / need to adopt acts or measures to restore the situation and/or to remedy the negative effects of discrimination, and the existence of the grounds for initiating disciplinary proceedings against the employee who is the author of the discrimination.

Liability of the *whistleblower*

The *whistleblower's* protection ceases if the criminal liability of the whistleblower for slander or defamation or civil liability with intent or gross negligence has been ascertained, even with a judgement of first instance.

In such cases, a disciplinary sanction will be imposed on the *whistleblower* (article 16, paragraph 3, Legislative Decree no. 24/2023).

C) Reference to Annex D

For an exhaustive examination of the discipline dictated on *whistleblowing* and, as far as it is more relevant, of its transposition in C.M.C. S.r.l., a broad reference is made to Annex D of this OMCM, which includes the following documents:

- ✓ *whistleblowing* policy;
- ✓ instructions for reporting violations;
- ✓ model for reporting violations;

- ✓ reports register.

5.7. Report of the Body to Corporate Governance

The Supervisory Body of CMC formally reports on:

- a. implementation of the Model;
- b. any critical aspects;
- c. outcome of the *auditing* activities carried out in the exercise of the assigned tasks.

To this end, the following formal reporting lines are assigned to the SB:

- 1) on an ongoing basis, directly to the Board of Directors of CMC;
- 2) on a periodic basis (at least half-yearly), to the shareholders' meeting of CMC. More precisely, in the context of periodic reporting, the SB prepares:

- on an annual basis, a written report relating to the activity carried out in which all possible critical issues and non-conformities detected will be indicated with the related preventive and/or corrective actions to be implemented, also to follow up on the principle of "continuous improvement" of the integrated management system;
- with variable and undefined frequency, a report on the critical issues and/or non-conformities detected as a result of the information received from the organisation, which determine the need for urgent corrective and/or preventive actions, deemed urgent in order to guarantee the effectiveness of the Model.

The Supervisory Body may be requested to report, at any time, by the aforementioned bodies, as well as the body itself may report on specific situations and/or those considered prejudicial.

The Board of Directors carries out the necessary checks and takes the appropriate measures.

On the other hand, with regard to any violations of the Model that may be committed by one or more members of the Corporate Bodies, the Supervisory Body is required to inform the other Corporate Bodies.

5.8. General Clause

As required by law, the SB has autonomy, powers of initiative, supervision and control, but the SB does not have powers of intervention and/or sanctions (these are referred to the relevant company functions).

For full compliance with the founding principles of the Organisation, Management and Control Model, some forms of protection in favour of the members of the SB are made explicit and highlighted, provided in order to guarantee the effectiveness of the Model itself and to prevent the SB's activity from being hindered, prevented or rendered ineffective. In particular, the independence of the members of the SB must be guaranteed and, therefore, any transfers, movements of organisational unit, role, company, headquarters, assignment of each member of the SB itself will be discussed and explained to the shareholders, upon notification in this regard approved by the SB by a majority of its members.

In addition, also in line with the business processes of Human Resource Management, the topics of performance evaluation, career plan, salary reviews, displacements, role changes and, more in

general, professional growth of the members of the Supervisory Body, are presented to the shareholders in the absence of the members of the SB, at the latest, by the end of each fiscal year.

Given the particular relevance of the matter, it is appropriate to highlight, in order to allow the SB to carry out its task with the necessary serenity, in the pre-eminent interest of the efficiency and expeditiousness of business operations, the need to keep the acting members of the supervisory body from any harmful consequences that may arise in the event of pecuniary sanctions as well as claims for compensation by Authorities or third parties, including legal assistance, related to any violation of the legislation, with the exclusion of cases of wilful misconduct and gross negligence, ascertained with a final judgement.

6. DISCIPLINARY SYSTEM

6.1. Purpose of the Disciplinary System

In compliance with the provisions of Legislative Decree no. 231/2001 (articles 6 and 7) with reference to both top management and those subject to the management of others, for the purposes of this Organisation, Management and Control Model, it is necessary to define and implement "a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model".

The essentiality of this aspect of the Model is extremely evident, which, by providing for the existence of adequate sanctions for the violation of the principles and protocols defined therein for the purpose of the prevention of crimes, seeks to explain the effectiveness in relations between the company and its employees and collaborators at all levels.

In fact, the provision of sanctions, duly commensurate with the violation and equipped with "deterrence mechanisms", applicable in the event of violation of the measures contained in the Organisational Model, is intended to contribute, on the one hand, to the effectiveness of the Model itself, and, on the other, to the effectiveness of the control action carried out by the Supervisory Body.

Violations of the model negatively affect the professional relationship, based on transparency, fairness, correctness and integrity, established between CMC and its Collaborators (external consultant, worker, employee, foreman and even manager); consequently, appropriate disciplinary actions will be taken against the interested parties.

The disciplinary system, for the purposes of this Model, is an integral part of the contractual obligations assumed by the Collaborator (external consultant, employee, foreman and also manager), and, as a result, this OMCM will be referred to in the existing disciplinary code and/or in any integration thereof pursuant to article 7, paragraph 1 of Law no. 300 of 29 May 1970.

It is useful to point out that the application of the sanctions provided for is completely autonomous with respect to the conduct and outcome of any criminal proceedings that may be initiated by the competent Judicial Authority.

Therefore, the judgement promoted by the company against the resource may not even coincide with that expressed in criminal/judicial proceedings.

Any violation of the Model or of the procedures established in implementation of the same, by anyone commissioned, must be communicated, in writing, to the SB, without prejudice to the procedures and measures pertaining to the holder of the disciplinary power.

The reporting duty is borne by all the Recipients of the Model.

After receiving the report, the SB must immediately carry out the necessary investigations, subject to maintaining the confidentiality of the person involved. Sanctions are adopted by the competent corporate bodies, by virtue of the powers conferred on them by the Articles of Association or by internal regulations of the Company. After the appropriate evaluations, the SB will promptly inform the holder of the disciplinary power that it may decide to initiate the procedural process for the purpose of disputes and the hypothetical application of sanctions.

6.1.1 Recipients of disciplinary measures

The recipients of this sanctioning system are all those who, within the various roles of responsibility identified, operate on behalf of C.M.C. S.r.l., namely:

- employees;
 - *management* and corporate *governance*;
- consultants and suppliers (third parties in general).

6.1.2. Examples of Violations of the Model

In carrying out activities in which the risk of committing the crimes contemplated by Legislative Decree no. 231/2001, for the purposes of compliance with the provisions of said Decree, constitutes a violation of the Model (by way of example):

- ✓ the implementation of actions or behaviours that do not comply with the requirements of the Model;
- ✓ the omission of actions or behaviours prescribed by the Model;
- ✓ the implementation of actions or behaviour that do not comply with the provisions of the CMC Disciplinary Code;
- ✓ the implementation of actions or behaviours that do not comply with the principles enshrined in the CMC Code of Ethics;
- ✓ the omission of actions or behaviours prescribed by the CMC Code of Ethics;
- ✓ the implementation of actions or behaviours contrary to the Laws and regulations, both Domestic and Foreign;
- ✓ the violation of the measures implemented to protect *whistleblowers*;
- ✓ the filing of unfounded reports with intent or gross negligence;
- ✓ the drafting, possibly together with others, of untruthful documentation;
- ✓ the facilitation, through omissive conduct, of the drafting by others, of untruthful documentation;
- ✓ the theft, destruction or alteration of company documentation provided for by the procedures;
- ✓ the obstacle to the supervisory activity of the SB;
- ✓ the impediment of access to information and documentation requested by persons in charge of controls of procedures and decisions;
- ✓ the carrying out of any other conduct suitable for circumventing the control system provided for in the Model.

6.2 Criteria for assigning sanctions

The Model, in accordance with the provisions of the applicable CCNL (National Collective Bargaining Agreement for Metalworking Industry), constitutes a set of rules to which personnel must adhere, in terms of behavioural rules: any violation thereof, therefore, entails the application of the disciplinary procedure and the related sanctions.

Failure to comply with the principles and obligations of this Organisational Model therefore entails the application of the Disciplinary System. The imposition of disciplinary sanctions for violation of the principles and rules of conduct indicated in the Organisational Model disregards the possible establishment of criminal proceedings and the outcome of the consequent judgement for the commission of one of the illegal acts provided for by the Decree.

Following the timely communication of the SB of the non-compliance with the Model, the HR function, holder of the disciplinary power, initiates a disciplinary procedure in accordance with the provisions of the employee's reference CCNL and in accordance with the provisions of the Law; this disciplinary procedure is conducted by the corporate bodies responsible for the imposition of disciplinary sanctions.

The Company, through the bodies and functions specifically responsible for this, therefore provides for the imposition of sanctions proportionate to non-compliance with the Model and compliant with the current provisions on the regulation of employment relationships.

In this sense, C.M.C. S.r.l. has defined suitable methods to select, monitor and, where appropriate, sanction its employees and also consultants and suppliers (third parties in general) having contractual relationships with the Company itself, providing, in the individual contracts, specific application clauses with reference to the requirements and behaviours required and the sanctions provided for their non-compliance.

The type and extent of sanctions applicable to individual cases of disciplinary offence are variable in relation to the seriousness of the shortcomings and based on the following general criteria:

- conduct of the person (recipient of the disciplinary measure): intent (intentionality of the conduct) or fault (negligence, recklessness, inexperience with regard to the predictability of the event);
- level of responsibility / hierarchical, functional and/or technical position;
- role and tasks assigned to the employee;
- presence of aggravating or mitigating circumstances, with particular reference to the possible existence of disciplinary precedents;
- possible sharing of liability with other parties who have contributed to the determination of the offence;
- relevance of the violation of rules or provisions;
- type of consequences (for example: economic and/or corporate image damage, etc.).

In defining the type and extent of the sanctions, CMC took into account the provisions of the collective labour agreement applied and the workers' statute referred to in Law no. 300/1970 and subsequent amendments.

For the application of the Disciplinary System, please refer to the Disciplinary Code, which has been prepared separately from this OMCM General Part, but forms an integral and substantial part of it.

6.2.1 Accessory measures to sanctions

Given that each person subject sanctions, according to the criteria previously illustrated, will be given the possibility, as provided for by law, to understand the reason for the sanction and to justify himself or herself, the sanctioning system will also include measures called accessory measures to sanctions, that is, information, training and practice activities for employees who, by repeatedly violating the provisions of the OMCM or the CMC Code of Ethics, demonstrate that they have not fully understood the importance of the principles and values contemplated therein.

The need for accessory measures will be established by the Administrative Body directly or upon possible notification by the SB.

6.3. Measures towards employees

With regard to employees (foremen and/or employees and/or workers) and similar, who have engaged in conduct in violation of the rules and principles deduced from this Model, the sanctions included in those provided for are applicable:

- ✚ by art. 7 of the Law of 30 May 1970 – Workers' Statute and its additions and variations; by
- ✚ the Disciplinary Code;
- ✚ by the applicable articles of the Italian Civil Code;
- ✚ by any additional special rules applicable.

Therefore, this Organisation, Management and Control Model refers to the facts and disciplinary and sanctioning measures provided for by the current Disciplinary Code and the CCNL (National Collective Labour Agreement) as well as any applicable special parties.

In particular, in the event that there is a violation of the Model, however detected by the Supervisory Body, the Human Resources Manager shall initiate the procedure for ascertaining the deficiencies established by the CCNL applied.

The disciplinary sanctions provided for by the Disciplinary Code applied are:

❖ **verbal warning**

It applies in the case of the slightest shortcomings or non-compliance with the principles and rules of conduct provided for in this Model, said behaviour correlating to a slight non-compliance with contractual rules or directives and instructions given by management or superiors;

❖ **written warning**

applies in the event of non-compliance with the principles and rules of conduct provided for in this Model, with respect to non-compliant or inadequate behaviour to the extent that it can be considered even if not minor, in any case not serious, correlating said behaviour to a non-serious non-compliance with contractual rules or directives and instructions given by management or superiors;

❖ **fine not exceeding three hours of hourly pay**

applies in the event of non-compliance with the principles and rules of conduct provided for in this Model, for behaviour that does not comply or is not adequate to the requirements of the Model to such an extent as to be considered of a certain severity, even if dependent on recidivism. These behaviours include the violation of the information obligations towards the Body regarding the commission of crimes, even if attempted, as well as any violation of the Model; also, the drafting, possibly in conjunction with others, of untruthful documentation and the facilitation, through omissive conduct, of the drafting by others, of untruthful documentation is punishable. The same sanction will be applied in the event of repeated non-participation (physical or in any way requested by the Company), without justified reason to the training sessions that over time will be provided by the Company relating to Legislative Decree no. 231/2001, the Organisation, Management and Control Model and the Code of Ethics adopted by the Company or in relation to related issues;

❖ **suspension from work and of the salary up to a maximum of three days**

applies in the case of more serious violations than the breaches referred to in the previous point. The same sanction applies for the theft, destruction or alteration of the documentation relating to the procedures for evading the control system provided for by the Model, the obstacle to the supervisory activity of the SB, the impediment off access to information and documentation requested by persons in charge of the control of the procedures and decisions and the carrying out of any other conduct suitable to evade the control system provided for by the Model;

❖ **dismissal.**

It applies in case of serious and/or repeated violation of the rules of conduct and the rules contained in the Model.

All legal and contractual obligations relating to the imposition of disciplinary sanctions are respected.

The Human Resources Manager is responsible for managing the entire formal and communication process relating to the imposition of the sanctions referred to in this Model.

The Head of Human Resources reports to the Supervisory Body regarding the application of the disciplinary sanctions issued.

The type and extent of any sanction provided for will be applied, in individual cases, taking into account the following elements:

- ✓ intentionality of the unlawful or incorrect conduct;
- ✓ degree of negligence, imprudence or inexperience with regard to the predictability of the event;
- ✓ overall conduct of the Employee (e.g.: any previous similar), or the existence of extenuating circumstances (as well as aggravating circumstances), taking due account of his or her professionalism and work history;
- ✓ the role and tasks assigned to the Employee;
- ✓ level of responsibility / hierarchical, functional and/or technical position;
- ✓ possible sharing of liability with other collaborators who have contributed to the shortcomings in conduct;
- ✓ timeliness, immediacy and proportionality (and, as applicable, fairness).

6.4. Measures towards Executives

Failure by CMC Executives and Managers to comply with the provisions and rules of this Model shall take into account the particular fiduciary nature of such employment relationship.

In the case of Managers who have implemented violations of the procedures, *policies*, rules and/or provisions in any way deduced from this Model, the company will adopt the provisions of the law, the Italian Civil Code, the applicable National Collective Labour Agreement, as well as any other applicable special regulations. In the event of a breach by an executive or manager, it must be promptly communicated, in addition to the holder of the disciplinary power also to the Board of Directors by means of a written report.

The recipients of the communication initiate the procedures within their competence for the purpose of disputes and the possible application of the sanctions provided for by law and by the applicable CCNL, including the possible revocation of powers of attorney or proxies.

In this regard, it should be noted that, in the event that the breach of the Model should lead to the termination of the fiduciary relationship with the Company, the sanction is identified in the dismissal for shortcomings.

More specifically, the following also constitute disciplinary offences:

- ✓ the lack of supervision by the management staff on the correct application, by hierarchically subordinate workers, of the rules provided for by the Model;
- ✓ the violation of the information obligations towards the Supervisory Body regarding the commission of the relevant crimes, even if only attempted;
- ✓ the violation of the rules of conduct contained therein by the managers themselves;
- ✓ the assumption, in the performance of their respective duties, of behaviours that do not conform to conduct reasonably expected by a manager, in relation to the role played and the degree of autonomy recognised;
- ✓ the violation of the measures implemented to protect *whistleblowers*;
- ✓ the filing of unfounded reports with intent or gross negligence.

6.5. Measures towards third parties

In the context of existing *partnership* and/or collaboration relationships with suppliers or, in any case, third parties, it is the duty of CMC to implement appropriate measures that determine effective deterrent mechanisms, as well as, in the most serious cases, even termination.

In fact, with regard to all "third parties" (in general), who have carried out actions, conduct (even omissive), violations and conduct contrary to the provisions and principles of this Organisation, Management and Control Model, the termination of the contractual relationship as well as the claim for compensation for damages may be determined.

More in detail, relations with third parties are governed by adequate formal contracts that must include clauses of compliance with the fundamental principles of the Model and the Code of Ethics by these external parties.

In this sense, failure to comply with them must result in the legal termination of the same relationships (pursuant to art. 1456 of the Italian Civil Code), without prejudice to any claim for compensation if such conduct results in concrete damage to the Company.

Any failure to include these clauses must be communicated by the function in which the contract operates, with the appropriate reasons, to the SB.

6.6. Measures towards corporate bodies

The Supervisory Body must notify the Board of Directors, the M.D. and the sole shareholder¹⁷, in the case of acts in violation of the Model carried out by one or more members of the other Corporate Bodies, both the type of violation and the circumstances in which it occurred.

The Board of Directors will proceed to carry out the appropriate investigations and take the necessary measures, after hearing the Shareholder¹⁸.

The Supervisory Body must be kept duly updated regarding the application of any sanctions issued.

¹⁷ As of 31 March 2023, the share capital of C.M.C. S.r.l. is owned by the sole shareholder NewCo C.M.C. S.p.A.

¹⁸ See note above.

7. TRAINING, COMMUNICATION AND DISSEMINATION

7.1. General information

It is the precise commitment of CMC to give ample disclosure, inside and outside the Company, of the principles contained in this Organisational Model.

To this end, CMC adopts appropriate initiatives to promote and disseminate knowledge of this Model, taking care to carry out a necessary diversification of in-depth analysis according to the role, responsibility and task in the Company.

This Organisational Model is formally communicated in the manner described below.

7.2. Internal communication

7.2.1. General communication

In order to ensure the fullest and widest dissemination of the principles and rules provided for in this Organisational Model, this document called "Organisational, Management and Control Model", is made available to all CMC employees, through the company intranet network or the company bulletin board, as well as with delivery of a hard copy and through the company's website.

Employees receive the communication of adoption of the Model and are required to sign a statement of knowledge and complete adherence to the Model.

For all employees, appropriate information activities are carried out, such as, by way of example only, the sending of update emails, or training initiatives in collaboration with the Human Resources Manager.

7.2.2. Specific communication

In addition to the above, the principles, rules and provisions of this Model are communicated in a more specific and targeted manner to the following corporate entities:

- heads of Organisational Units;
- managers;
- managing director;
- board of directors
- all personnel who, by reason of the activity, role or task held in the Company, are particularly involved in processes at risk of crimes pursuant to Legislative Decree no. 231/01.

For the aforementioned subjects, training sessions are organised, also provided by means of available IT solutions (e.g.: *conference calls*) and supported by specially created training material.

The plan of training initiatives is defined by the Head of Human Resources on the basis of the indications and proposals from the Supervisory Body.

7.3. Outward Dissemination and Training

In compliance with the fundamental principles of CMC, linked to transparency, fairness and integrity, the adoption of the "Organisational, Management and Control Model" is also communicated and disseminated to parties outside the company, such as Customers, Suppliers, Partners and Collaborators in general.

The communication and dissemination of the Model take place through a plurality of means, including the company intranet, for its knowledge by employees, and the official website, for the

knowledge of the same by third parties who come, for any reason, in contact with the Company. The communication and formal commitment, by the aforementioned external parties, to comply with the principles of the Company Code of Ethics and this Model, are documented through the preparation of specific statements or contractual clauses duly submitted and accepted by the counterparty.

With regard to the obligations regarding communication and dissemination to the outside world, the following responsibilities are recalled in particular:

- ✚ each Organisational Unit of CMC (and, therefore, the Head of the OU), is responsible for maintaining correct communication regarding the adoption and implementation of the Model, both internally and, where necessary, outside the company.
- ✚ the Supervisory Body carries out a support activity to the other company functions when it is necessary to provide information related to the Model outside CMC.

The Supervisory Body collaborates with the Board of Directors, the M.D. and with the managers of the organisational area/unit in determining the methods for implementing the provisions of the Model in relations with third parties.

It is the Company's task to implement and formalise specific training plans with the aim of ensuring effective knowledge of the Decree, the Code of Ethics and the Model by all company areas and functions. The provision of training must be differentiated according to whether it is addressed to Employees and External Collaborators in general, to Employees and External Collaborators operating in specific areas of risk, to the Managing Director and to the Board of Directors, based on the analysis of skills and training needs prepared by the SB with the help of the Human Resources Manager.

Training of the personnel, for the purposes of implementing the Model, is mandatory for all recipients and is managed by the M.D. in collaboration with the Human Resources Manager.

The Company, in choosing the means and tools for training, will prioritise those that always ensure the traceability of training initiatives and the formalisation of the participants' attendance, the possibility of evaluating their level of learning and the evaluation by the learners of the level of effectiveness of the course, in order to develop new training initiatives and improve those currently underway, including through comments and suggestions on content, material, teachers, and so forth.

The training, which can also take place remotely or through the use of computer systems, is carried out by experts in the discipline dictated by the Decree.

The documentation relating to information and training activities is also kept in electronic format, by the Head of Human Resources, available for consultation by the Supervisory Body and anyone authorised to view it.

8. SPECIAL PARTS

8.1. Organisational Structure of C.M.C. S.r.l.

The organisational structure of CMC and the correct names of the roles are those provided for by the current Organisational Provisions, that is, by the company organisation chart; therefore, those reported in the OMCM must refer by function analogy to those reported in the most up-to-date Organisational Provision.

8.2. Sensitive and/or Crime Risk Activities and general indications

Following the analysis carried out in the organisational and operational context of CMC, aimed at identifying the areas that may potentially detect the risk of committing the crimes provided for by the Decree, as many Special Parts have been issued that must be considered an integral part of the OMCM.

In any case, certain operating principles are noted as of now, which, although they are contemplated in the aforementioned Special Parts, due to their wide scope of application, it is also useful to refer to them here.

Contractual relationships with third parties

The contract between the parties must include the following clauses:

- ✚ the obligation on the part of the contracted company to certify the veracity and completeness of the documentation produced and of the information communicated to the Company by virtue of legal obligations;
- ✚ the commitment by the contracted company to respect, during the duration of the contract, the fundamental principles of the Code of Ethics, as well as the provisions of Legislative Decree no. 231/2001, and to operate in line with them, indicating the breach of this obligation as a cause for termination of the contract;

Failure to comply with one of the conditions referred to in the previous points must be duly substantiated and formalised / kept in the records.

9. SOURCES AND BIBLIOGRAPHY

This OMCM adopted by C.M.C. S.r.l., as already highlighted, in addition to the provisions of the Decree, has as reference points (*sources*):

- ✓ the Self-Discipline Code for Corporate Governance of Borsa Italiana S.p.A.2;
- ✓ GdF Circular no. 83607/2012;
- ✓ the Confindustria Guidelines;
- ✓ CoSO Report I, II, III (Committee of Sponsoring Organizations of the Treadway Commission);
- ✓ the I.S.A. (International Standards on Auditing) relating to the risk of commission of crimes and offences³;
- ✓ the principles of Professional Practice in the field of auditing that refer to the latter and that meet the requirements of the CoSO Report I document;
- ✓ the Occupational Health and Safety Management System implemented according to the provisions of Legislative Decree no. 81/2008;
- ✓ the Ministerial Decree of 13 February 2014 (Official Gazette no. 45 of 24/2/2014) "Simplified procedures for the adoption of organisation and management models (OMM) in small and medium-sized enterprises (SMEs)".

As well as the following bibliography:

- **Organismo di vigilanza (Supervisory body)**, Alberto Pesenato and Elisa Pesenato, *IPSOA publishing house, VII ed. 2019*.
- **Responsabilità "penale" delle persone giuridiche ("Criminal" liability of legal persons)**, Angelo Giarda, Enrico Maria Mancuso, Giorgio Spangher, Gianluca Varraso, *Casa editrice IPSOA*.
- **Responsabilità amministrativa degli enti (Administrative liability of entities)**, Francesco Sbisà, *Casa editrice IPSOA*.
- **Organisation, management and control model pursuant to Legislative Decree no. 231/2001**, Alberto Pesenato, *Casa editrice IPSOA*.
- **La responsabilità da reato degli Enti (The liability for crime of Entities)**, Enrico Amati - *UTET giuridica*.
- **I reati societari dopo la legge 28 dicembre 2005 n.ro 262 (Corporate offences after Law no. 262 of 28 December 2005)**, Cinzia De Stefanis – *Maggioli Editori*

10. ACRONYMS

S.A. or SA	Sole Administrator
M.D.	Managing Director
Upd.	Update
Ann.	Annex
Art.	Article
P.	Paragraph
C.C.	Civil Code
B.o.D or BOD	Board of Directors
C.P.	Criminal Code
D. I.	Decree-Law
Legs. D.	Legislative Decree
I.C.Q.	Internal Control Questionnaire
L.	Law
Model 231	Organisation and management model provided for by Legislative Decree no. 231/2001
OMCM	Organisation and management model provided for by Legislative Decree no. 231/2001
Model	Organisation and management model provided for by Legislative Decree no. 231/2001
S.B. or SB	Supervisory Body
P.E.O.	Ordinary e-mail
I.C.S.	Internal Control Systems
S.p.A.	Joint-stock Company
S.r.l.	Limited Liability Company
U.O.	Organisational unit

11. GLOSSARY

Organisational Unit Operational structure consisting of a set of human and instrumental resources entrusted with homogeneous objectives, tasks and responsibilities.

12. ANNEXES AND SPECIAL PARTS

ANNEXES

Annex A - Types of offences relevant pursuant to Legislative Decree no. 231 of 8 June 2001. Annex B – Definition of *stakeholders*.

Annex C – Code of Ethics of C.M.C.

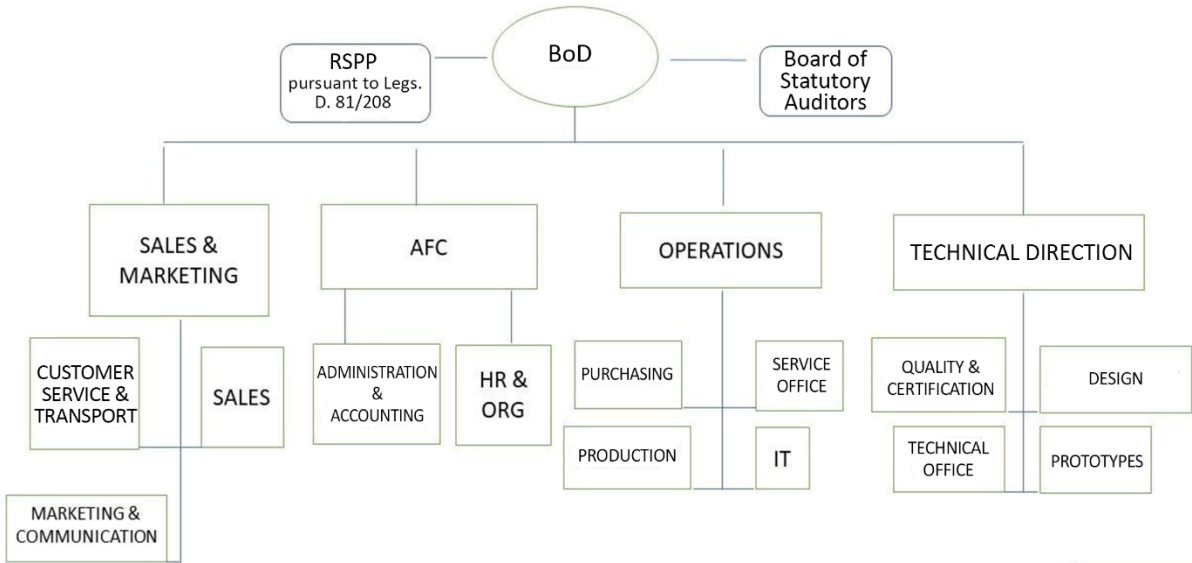
S.r.l. Annex D – Whistleblowing.

SPECIAL PARTS

- **Special Part A:** Offences against the Public Administration and its Assets and the offence of inducement not to make statements or to make false statements to the Judicial Authority [articles 24, 25 and 25-*decies* of the Decree];
- **Special Part B:** Computer crimes and unlawful data processing (art. 24-*bis*);
- **Special Part C:** Organised crime offences (art. 24 *ter*);
- **Special Part D:** Corporate offences and the offence of corruption between private individuals (art. 25-*ter*);
- **Special Part E:** Crimes of manslaughter and serious or very serious negligent injuries, committed in violation of the rules on the protection of health and safety at work (art. 25-*septies*);
- **Special Part F:** Crimes of receiving, laundering and use of money, goods or utilities of illicit origin as well as self-laundering (art. 25-*octies*);
- **Special Part G:** Environmental offences (art. 25-*undecies*);
- **Special Part H:** Tax offences (art. 25-*quingiesdecies*).
- **Special Part I:** Smuggling offences (art. 25-*sexiesdecies*).

13. COMPANY ORGANISATION CHART

Organisation chart CMC S.r.l.



December 2022