

Modula S.p.A.

Organizational, Management and Control Model *(adopted pursuant to Italian Legislative Decree no. 231/2001)*

General Part

Document approved
with the resolution of the Board of Directors of 20 December 2024

Modula S.p.A. con Socio Unico (Società sottoposta all'attività di direzione e coordinamento, ai sensi degli artt. 2497 e seguenti del Cod.Civ., della società iscritta al Registro delle Imprese di Modena al n. 06872610966)

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Introduction

1. Premise

This document describes the organizational, management and control model adopted by Modula S.p.A. (hereinafter also “Modula” or the “Company”) pursuant to Italian Legislative Decree no. 231 of 8 June 2001 (hereinafter, the “Decree”) and has the purpose of:

- complying with the regulations on the administrative liability of entities, analysing the potential risks of unlawful conduct relevant to the Decree, and highlighting and integrating the related control systems designed to prevent such conduct;
- increasingly promoting a corporate culture oriented towards ethics, fairness and transparency of its activities;
- increasing awareness, in all those working on behalf of the Company in sensitive activities, of the possibility of facing disciplinary actions and/or contractual consequences, as well as criminal and administrative sanctions against them in the case of the violation of the provisions in force;
- reinforcing the notion that these forms of unlawful conduct are strongly disapproved of, as they are contrary not only to the provisions of law, but also to the ethical principles the Company is committed to abiding by in its business activities;
- enabling the Company, thanks to the monitoring of its activities at risk, to intervene promptly to prevent the commission of crimes and sanction any conduct contrary to the law and company rules.

Therefore, the Organizational, Management and Control Model (hereinafter also the “Organizational Model” or “Model”) represents a coherent set of principles, procedures and provisions that affect the internal operation of the Company and the ways in which it relates with the outside world. It also regulates the management of the control system related to sensitive activities, aimed at preventing the commission of or any attempt to commit the crimes referred to in the Decree.

This document was adopted by the Company with a resolution of the Board of Directors on 3 May 2016 and updated with a resolution of 20 December 2024.

2. Structure of the document

The structure of the Model consists of:

- *Code of Ethics*, which defines the general ethical values and principles to which the corporate bodies and their members as well as employees, collaborators and consultants of the Company must refer when carrying out their activities, in order to prevent the occurrence of conduct which is illegal or not aligned with the company’s standards.
- *General Part*, which describes the contents of the Decree, briefly illustrates the corporate governance and organizational and management models of the Company, the function and the general operating principles of the Model, as well

as the mechanisms for its concrete implementation;

- *Special Sections*, which describe, for each area of company activity subject to potential “risk 231”, the relevant types of crime, the principles of conduct to be respected, as well as the control measures to be implemented for risk prevention.

The Model also includes the following annexes, which are an integral part of it:

- *Annex 1* – The relevant crimes and administrative offences pursuant to Italian Legislative Decree 231/2001
- *Annex 2* – Articles of Association of the Supervisory Body
- *Annex 3* – Disciplinary and sanctioning system
- *Annex 4* – Procedure for managing information flows to the Supervisory Body
- *Annex 5* – Whistleblowing Procedure

3. The Code of Ethics

Modula’s Code of Ethics has as its main objective the clear definition of the fundamental ethical values and contains the general principles that must guide the conduct of all corporate bodies and their members, as well as all employees and collaborators of the Company (to be understood as consultants, agents, managers, partners, and collaborators in general) in order to promote, through internally defined standards and corporate governance techniques, the creation and maximization of value for those who work in the Company and for its customers.

The Code of Ethics is an essential part of the Model, was adopted at the same time as the latter and was updated by a resolution of the Administrative Body of 20 December 2024.

The Code of Ethics is binding for all those who have employment or collaborative relationships with the Company. It establishes compliance with the laws and regulations in force as an essential principle of the Company’s work and sets down the principles of conduct with which all recipients must comply in the daily performance of their work activities and their duties.

Following its adoption, the Code of Ethics is provided or made available to all members of the corporate bodies, as well as to all employees and collaborators of the Company.

The importance of the Code of Ethics for the Company and its binding nature are proven by the sanctions that should be given in the event of the violation of the Code itself.

4. Recipients

The rules and provisions in the Model and its Annexes apply to and must be respected by those who perform, even de facto, the management, administration, direction or control functions of the Company. They must also be respected by the employees, as well as by those who, although not belonging to the Company, operate on its behalf.

The “Recipients” of this Model are therefore:

- the corporate bodies (including the members of the Board of Directors and the members of the Board of Statutory Auditors) as well as the holders of management and/or control positions within the Company or within one of its organizational units (“senior management”);
- the subjects who perform these functions (of direction, management and control) even if only de facto;
- all the personnel of the Company, under any type of contractual relationship;
- anyone acting in the name and on behalf of the Company under its direction and supervision.

The Company requires external collaborators, consultants, intermediaries, suppliers, business partners and other contractual counterparties in general to comply with the provisions set down in the Decree and the ethical principles adopted through the signing of specific contractual clauses.

General Part

1. Premise

1.1 Regulatory framework of reference

Italian Legislative Decree no. 231/2001, issued as a result of the powers granted to the Government with Art. 11 of the Italian Law no. 300 of 29 September 2000, governs the “liability of entities for administrative offences resulting from a crime”.

This regulation applies to entities with legal personality, as well as to companies and associations even without legal personality.

Italian Legislative Decree no. 231/2001 originated from some international and EU conventions ratified by Italy, which require a framework for the identification of the liability of collective bodies for certain types of crime.

According to the regulation introduced by Italian Legislative Decree no. 231/2001, an entity can be held “liable” for some crimes committed or attempted, in the interest or to the advantage of the company, by:

- senior managers, i.e. those who hold representative, administrative or management roles in the company or in one of its organizational units with financial and functional autonomy, as well as those who exercise, even de facto, the management and control of the same;
- subjects under the management or supervision of senior management.

With regard to the notion of “interest”, it is understood to be whenever the unlawful conduct is carried out with the sole intention of achieving a benefit for the company, regardless of whether this objective has been achieved or not.

Likewise, liability rests with the company whenever the perpetrator of the offence, despite not having acted to benefit the entity, nonetheless obtains an “advantage” for the legal person, whether of an economic nature or not.

The administrative liability of companies is independent of the criminal liability of the natural person who committed the crime and is added to the latter.

1.2 Crimes envisaged by the Decree

The Decree only concerns some particular types of criminal offences, explicitly referred to in the Decree itself.

These types of offences can be organized, for the sake of convenience, in the following categories:

- crimes committed in relations with the public administration (Articles 24 and 25 of the Decree);
- computer crimes and unlawful data processing (Art. 24-bis);
- organised crime offences (Art. 24-ter);
- forgery of money, public credit cards, revenue stamps and identification

- instruments or signs of recognition (Art. 25-bis);
- offences against industry and commerce (Art. 25-bis.1);
 - corporate offences (Art.25-ter);
 - crimes for the purpose of terrorism or subversion of democratic order, (Art. 25-quater);
 - female genital mutilation practices (Art. 25-quarter.1);
 - crimes against the individual (Art. 25-quinquies);
 - market abuse (Art. 25-sexies);
 - manslaughter or serious or very serious injuries committed in violation of the regulations on the protection of health and safety at work (Art. 25-septies);
 - receiving, laundering and use of money, goods or benefits of illicit origin, as well as self-laundering (Art. 25-octies);
 - crimes relating to non-cash payment instruments and the fraudulent transfer of assets (Art. 25-octies.1);
 - offences related to copyright infringement (Art. 25-novies);
 - induction to make no statements or make false statements to the judicial authorities (Art. 25-decies);
 - environmental crimes (Art. 25-undecies);
 - employment of third-country nationals whose stay is illegal (Art. 25-duodecies);
 - racism and xenophobia (Art. 25-terdecies);
 - fraud in sports competitions, illegal gambling and betting, and gambling by means of prohibited devices (Art. 25- quaterdecies);
 - transnational crimes (Art. 10 of Italian Law no. 146 of 16 March 2006);
 - tax offences (Art. 25-quinquiesdecies);
 - smuggling (Art. 25-sexiesdecies).

Please refer to Annex 1 for details of the relevant offences under the Decree.

1.3 Sanction system

If the Company is deemed liable pursuant to the Decree, as a result of the commission or attempted commission of the aforementioned crimes, the following sanctions are imposed on the Company:

- pecuniary sanctions, calculated through a system based on quotas, which are determined by the Court with regard to the number and amount within limits defined by law and taking into account the gravity of the crime, the degree of liability and the economic and financial conditions of the entity, as well as the activities carried out to eliminate or mitigate the consequences of the crime in question and to prevent the commission of further crimes.

- injunctive sanctions which, in turn, may consist of:
 - ban on conducting business;
 - suspension or revocation of authorizations, licenses or concessions functional to the commission of the offence;
 - ban on entering into contractual relationships with the Public Administration;
 - exclusion from benefits or incentives, funding, contributions or subsidies, as well as the revocation of those already granted;
 - ban on advertising goods or services.

Injunctive sanctions can also be requested by the Public Prosecutor and applied to the entity by the Court as a precautionary measure, when:

- there are serious indications to believe that the entity is liable for an administrative offence resulting from a crime;
- well-founded and specific elements emerge that lead to the belief that there is a concrete risk that illicit conduct of the same nature may reoccur;
- the entity under investigation made a significant profit.

The application of injunctive sanctions is excluded when the entity put the remedial measures provided for by Art. 17 of Italian Legislative Decree no. 231/2001 in place and, more precisely, when the following conditions concur:

- “the entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has in any case taken effective action in this sense”;
 - “the entity has eliminated the organizational shortcomings that led to the crime by adopting and implementing organizational models suitable for preventing crimes of the type that occurred”;
 - “the entity has made the profit obtained available for the purposes of confiscation”.
- confiscation of the revenue or profit from the crime;
 - publication of the sentence in one or more newspapers.

1.4 Exempting condition: organizational, management and control models

A characteristic aspect of Italian Legislative Decree no. 231/2001 is the “exemption” value given to the organization, management and control models adopted by the entities.

In fact, the entity is not liable for crimes committed in its interest or to its advantage by one of the senior managers if it is proved that:

- the management body has adopted and effectively implemented an

organizational, management and control model suitable for preventing the crimes covered by the Decree;

- the supervision of the implementation of and compliance with the model and its updating were entrusted to a “Body” which was granted autonomous powers of initiative and control;
- the relevant crime pursuant to the Decree was committed by fraudulently circumventing the Organizational Model;
- the offense was committed without the omission of or insufficient supervision by the Body.

In contrast, in the case of a crime committed by subjects under the management or supervision of others, the entity is liable if the commission of the crime was made possible by the violation of the management or supervision obligations with which the entity must comply.

Any administrative liability of the company is in any case expressly excluded by law (Art. 5, paragraph 2, Italian Legislative Decree no. 231/2001), if the senior management and/or their subordinates acted exclusively in their own interest or that of third parties.

1.5 Codes of conduct prepared by relevant trade associations

According to the provisions of Art. 6, paragraph 3, of Italian Legislative Decree no. 231/2001, “organizational and management models may be adopted, ensuring compliance with the requirements of paragraph 2, on the basis of codes of conduct drawn up by the associations representing the entities and communicated to the Ministry of Justice which, within thirty days and in agreement with the competent Ministries, can express its opinion on the suitability of the models to prevent crimes”.

This Model was prepared taking into account the indications expressed by the guidelines set out by Confindustria and approved by the Ministry of Justice.

2. The Organizational, Management and Control Model adopted by Modula

2.1 Modula’s corporate purpose and governance system

Modula S.p.A. is a company operating in the manufacturing sector.

In line with the Company’s Articles of Association, the corporate purpose includes:

- the design, production, installation and maintenance of automatic vertical storage systems for the storage and handling of goods;
- the development, installation and marketing of basic and application software solutions for the operation of the aforementioned storage systems.

The most relevant body of the corporate structure is the Board of Directors, which holds all the necessary powers for the ordinary and extraordinary management of the Company, without exception of any kind.

The corporate structure is also characterized by the presence of a Board of Statutory Auditors, made up of three standing auditors and two alternate auditors. Pursuant to the Italian Civil Code, the Board of Statutory Auditors oversees compliance with the law and with the Articles of Association, the respect of the principles of proper administration and the adequacy of the organizational, administrative and accounting structure adopted by the company as well as its proper functioning.

Finally, the auditing of the accounts is entrusted to an external auditing firm.

2.2 The development of Modula's Organizational, Management and Control Model

The Model was developed through the steps described below.

- Identification of the activities and processes within which the conditions, opportunities and/or means for committing the crimes under the Decree ("sensitive activities") could potentially exist, as well as the company Departments/Functions involved in carrying out such activities.
- Analysis of sensitive activities and processes and identification of organizational and control mechanisms already implemented or to be adapted. The control system was examined taking into consideration the following standard prevention measures:
 - existence of formalized procedures;
 - ex-post traceability and verifiability of transactions using appropriate documentary and IT support;
 - existence of a formalized system of powers and authorization levels consistent with the assigned organizational responsibilities;
 - compliance with the principle of separation of duties;
 - existence of adequate specific control and monitoring mechanisms.
- At the end of the activities described above, development of the Company's Organizational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, organized according to the indications contained in the Guidelines issued by Confindustria.
- The Model, structured as described above, is finally implemented by means of: a) its approval by the Administrative Body; b) the appointment of the Supervisory Body in charge of verifying the effective implementation and observance of the Model; c) the definition of a disciplinary system against any violations of the Model; d) the dissemination of the contents of the Model through training and information activities for the Recipients.

2.3 Mapping of sensitive activities

The "sensitive activities" identified during the Organizational Model preparation process are the following:

Sensitive activities	Special Section
<ol style="list-style-type: none"> 1. Management of relations with the PA (Public Administration) during inspections at the company's premises 2. Management of relations with the PA during the management and fulfilment of obligations 3. Management of relations with the PA for the purpose of obtaining authorizations/licenses 4. Litigation management (civil, criminal, administrative, labour and tax law) 	<p><i>A - Management of relationships with the Public Administration</i></p>
<ol style="list-style-type: none"> 1. Management of general accounting and preparation of the financial statements 2. Management of relations with External Auditors and Statutory Auditors 3. Management of monetary and financial flows 4. Management of tax compliance 5. Management of extraordinary corporate operations 6. Management of inter-group relations 7. Management of corporate affairs 	<p><i>B - Administration and finance</i></p>
<ol style="list-style-type: none"> 1. Management of human resources search, selection and hiring activities 2. Definition of training needs and personnel training 3. Management of bonuses, salary increases and career advancements 4. Administrative management of personnel 5. Management of expense reimbursement 6. Management of relations with trade union representatives 	<p><i>C - Management of personnel</i></p>
<ol style="list-style-type: none"> 1. Management of the procurement of goods, services, and professional consultancy 2. Management of insurance policies 	<p><i>D - Management of the procurement of goods, services, and professional consultancy</i></p>
<ol style="list-style-type: none"> 1. Management of sales activities (commercial negotiation, contracting and <i>after sales</i>) 2. Management of agents 3. Order management (design, production, testing and delivery) 4. Management of relations with certification bodies 5. Management of marketing and communication activities 6. Management of gifts, sponsorships and donations 	<p><i>E - Business activities</i></p>
<ol style="list-style-type: none"> 1. Management of information systems 	<p><i>F - Management of information systems</i></p>
<ol style="list-style-type: none"> 1. Management of activities relating to the fulfilment of obligations regarding health and safety in the workplace 2. Management of activities relating to compliance with environmental obligations 	<p><i>G - Management of Health, Safety & Environment</i></p>

3. The Supervisory Board

3.1 The Supervisory Board

The essential condition for the exemption from liability provided for by Italian Legislative Decree no. 231/2001 is the appointment of a corporate body with autonomous powers of initiative and control to monitor the operation of and compliance with the Model as well as to update it.

The main requirements of the Guidelines issued by Confindustria and also adopted by the judicial bodies in their court rulings for the Supervisory Body (SB) can be identified as follows:

- autonomy and independence;
- professionalism;
- continuity of action.

The autonomy and independence of the Supervisory Body refer specifically to the autonomy of the control initiative with respect to any form of interference or conditioning by any representative of the legal person and, in particular, by the Administrative Body.

The requirement of professionalism refers specifically to the technical capacity of the SB to perform its functions with respect to the supervision of the Model, as well as the skills necessary to guarantee the evolution of the Model itself, through proposals for updating which must be presented to the senior management.

Finally, with reference to continuity of action, the SB must continuously monitor compliance with the Model, verify its effectiveness and efficacy, promote its continuous updating, and be a constant presence for each person working for the company.

Italian Legislative Decree no. 231/2001 does not provide specific information regarding the composition of the Supervisory Body. In the absence of such information, the Company has opted for a solution which, taking into account the objectives pursued by the law and the guidelines obtainable from case law, is able to ensure, in relation to its size and organizational complexity, the effectiveness of the controls the Supervisory Body is in charge of.

The Company has opted for a collective Supervisory Body made up of two external members and one internal member.

The Supervisory Body must meet the aforementioned requirements of autonomy, independence, professionalism and continuity of action.

3.2 General principles regarding the establishment, appointment and replacement of the Supervisory Body

The Company's Supervisory Body is established by resolution of the Administrative Body. The SB remains in office for a period of 3 years, after which its composition can be confirmed for a new term of office.

The Supervisory Body ceases upon expiry of the period established at the time of appointment, but continues to carry out its duties on an interim basis until a new Supervisory

Board is appointed. The new appointment must be made by the Administrative Body by passing the relevant resolution as soon as it can.

If the Supervisory Body ceases to hold office during its term of office, the Administrative Body will replace it by passing the relevant resolution.

The remuneration of the Supervisory Body is established by the Administrative Body.

An appointment to the Supervisory Body is subject to meeting subjective eligibility requirements. In particular, on their appointment, all members of the Supervisory Body must certify the absence of any reasons for ineligibility such as, by way of example:

- conflicts of interest with the Company, even if only potential, such as to compromise the independence required by the role and duties of the Supervisory Body. Here below are some examples of conflict of interest:
 - entertaining significant business relationships with Modula or with subsidiaries or affiliates, except for a subordinate employment relationship;
 - entertaining significant business relationships with the Managing Director or other member(s) of the senior management;
 - having relations with or being a nuclear family member of the Managing Director or other member of the senior management, nuclear family member being understood as a not legally separated spouse, or a relative or an in-law up to the third degree;
 - being the direct (or indirect) owner of equity investments in the Company's capital to such an extent as to have significant influence over the Company;
 - having held an administrative position in companies subject to bankruptcy, compulsory administrative liquidation or other insolvency proceedings in the three financial years preceding the appointment as a member of the Supervisory Body, or the establishment of a consultancy/collaboration relationship with the Supervisory Body itself;
- temporary disqualification or suspension from holding a public office or any position in the management of legal entities and companies;
- existence of one of the conditions of ineligibility or forfeiture provided for by Art. 2382 of the Italian Civil Code;
- preventive measures pursuant to Italian Law no. 1423 of 27 December 1956 or Italian Law no. 575 of 31 May 1965 and subsequent amendments and additions, without prejudice to the effects of rehabilitation;
- sentence of conviction, in Italy or abroad, even if the sentence has not yet become final and even if with a suspended sentence, or with a sentence of application of the penalty at the request of the parties pursuant to art.444 of the Italian Code of Criminal Procedure (so-called "plea bargaining"), without prejudice to the effects of rehabilitation, for the crimes referred to in Italian Legislative Decree no. 231/2001 or crimes of any kind involving professional morality;

- conviction, even if the sentence has not yet become final and even if with a conditionally suspended sentence, or with a sentence of application of the penalty at the request of the parties pursuant to art. 444 of the Italian Code of Criminal Procedure (so-called “plea bargaining”), without prejudice to the effects of rehabilitation:
 - to a prison sentence for a period not less than one year for one of the crimes specified by Italian Royal Decree no. 267 of 16 March 1942;
 - to a prison sentence for a period not less than one year for one of the crimes specified by the regulations governing banking, financial, securities, and insurance activities as well as the regulations on markets, securities, and payment instruments;
 - to a prison sentence for a period of not less than one year for a crime against the Public Administration, against public faith, against property, against the public economy, or for a crime in tax matters;
 - for any crime committed with criminal intent with a prison sentence for a period of not less than one year;
 - for one of the crimes specified by Title XI of Book V of the Italian Civil Code as amended by Italian Legislative Decree no. 61/2002.

Should any of the aforementioned reasons for ineligibility be true for an appointed person, the latter will automatically be discharged from office.

In the event that an employee of the Company is appointed as a member of the Supervisory Body, the termination of the relative employment relationship will also result in the loss of that office.

In the conduct of its duties and under its own supervision and responsibility, the Supervisory Body has the power to request and benefit from the collaboration of all Company Departments/Functions and structures, or of external consultants, within the sphere of their respective competences and professional skills. These powers enable the Supervisory Body to ensure a high level of professionalism and the necessary continuity of action.

To this end, the Administrative Body establishes an adequate budget for the Supervisory Body, taking into account the requests of the latter.

The allocation of the budget enables the Supervisory Body to operate autonomously and with the appropriate tools for the effective performance of the tasks assigned to it by this Model, in accordance with the provisions of Italian Legislative Decree no. 231/2001. If necessary, the Supervisory Body may request the Board of Directors to allocate an even greater budget, providing adequate subsequent reporting.

In order to guarantee the Supervisory Body the necessary stability, the revocation of the powers of one of its members and the attribution of these powers to another subject may only take place for just cause, which may include the organizational restructuring of the Company, by means of a specific resolution of the Administrative Body.

In this regard, the “just cause” for the revocation of powers related to the position of member of the Supervisory Body may be, by way of example only:

- a definitive conviction of the Company pursuant to the Decree or a final plea bargaining sentence, in the event that the documents show “no or insufficient supervision” by the Supervisory Body, in accordance with the provisions of Art. 6, paragraph 1, letter d) of the Decree;
- a conviction or plea bargaining issued against the Supervisory Body for having committed one of the administrative crimes or offences envisaged by the Decree (or administrative crimes/offences of the same nature);
- the violation of the confidentiality obligations to which the SB is subject;
- gross negligence in the performance of its duties such as, for example, the failure to prepare the annual report for the Board of Directors on the activities carried out;
- the assignment of operational functions and responsibilities within the company organization that are incompatible with the requirements of “autonomy and independence” and “continuity of action” that the Supervisory Body must meet.

In particularly serious cases, the Administrative Body may in any case order, after hearing the opinion of the Board of Statutory Auditors, the suspension of the powers of the Supervisory Body and the appointment of an interim SB.

3.3 Functions and powers of the Supervisory Body

The Supervisory Body is granted the powers of initiative and control necessary to ensure effective and efficient supervision of the functioning of and compliance with the Model in accordance with the provisions of Art. 6 of Italian Legislative Decree no. 231/2001.

In particular, the SB must monitor:

- the adequacy and effectiveness of the Model to prevent the commission of the crimes under Italian Legislative Decree no. 231/2001, also taking into account the size and the organizational and operational complexity of the Company;
- the adequacy and effectiveness of the Model over time;
- the proper implementation of and compliance with the provisions of the Model by the Recipients, identifying any violations and proposing the relative corrective and/or disciplinary measures to the competent corporate bodies;
- the need to update the Model in the event of changes in the corporate or regulatory conditions, proposing the changes deemed necessary to the competent corporate bodies and verifying their implementation.

In order to enable the Supervisory Body to fulfil its functions, the same is entrusted with the following tasks and powers:

- to access all the structures of the Company and all relevant company documentation for the purpose of verifying their adequacy and compliance with

the Model;

- to carry out sample inspections aimed at specific activities/operations at risk and regarding compliance with the control and behavioural measures adopted and referred to in the Model and company procedures;
- to promote the updating of risk mapping in the event of significant organizational changes or the expansion of the type of crimes taken into consideration by Italian Legislative Decree no. 231/2001;
- to coordinate, with the relevant corporate functions, the assessment of the adequacy of the internal regulatory system adopted and define proposals for adaptation and improvement (internal rules, procedures, operating and control procedures), subsequently verifying their implementation;
- to monitor information and training initiatives aimed at disseminating knowledge and understanding of the Model within the company;
- to request the information deemed relevant from Company Managers, in particular those who operate in areas potentially at risk of crimes, in order to verify the adequacy and effectiveness of the Model;
- to collect any reports from any Recipient of the Model regarding: i) any criticality of the measures envisaged by the Model; ii) violations of the same; iii) any situation that could expose the Company to the risk of crime;
- to periodically report any violations of the control measures referred to in the Model and/or in the company procedures as well as shortcomings identified during the inspections carried out to the Senior Managers concerned, so that they can implement the necessary adjustments, involving the Board of Directors where necessary;
- to supervise the consistent application of the sanctions envisaged by internal regulations in cases of violation of the Model, without prejudice to the Administrative Body's competence to apply sanctions;
- to identify any behavioural deviations that may emerge from the analysis of the information flows and from the reports the Recipients of the Model are required to submit.

The Supervisory Body is bound by confidentiality with respect to all information it becomes aware of in the performance of its duties.

The disclosure of such information may be made only to those individuals and in the manner provided for in this Model.

3.4 Protocols to provide information to the Supervisory Body

WHISTLEBLOWING REPORTS

To protect the integrity of the company, the Recipients of the Model are required to report any relevant illegal conduct pursuant to Italian Legislative Decree 231/2001, violations or well-founded suspicions of violations of the Model according to the requirements and through the channels provided for by the company's whistleblowing procedure (attached to the Model and published on the Company's website), ensuring that they are substantiated and based on precise and consistent factual elements.

In relation to this obligation, the Company has set up a portal, which is able to ensure, by the use of IT instruments and data encryption, the confidentiality of the identity of the whistleblower and of the contents of the report and relative documentation, in full compliance with the legislation on the protection of personal data. The portal is accessible to all whistleblowers (e.g. employees, suppliers, third parties, etc.) at the web address <https://www.modula.eu/it/whistleblowing/>. The portal provides an online guided process for submitting reports.

The whistleblower may also ask to make an oral report, either by meeting in person, or via video conference. The whistleblower can request this meeting by writing to the following postal address *Via San Lorenzo n. 41 – 42013 – Casalgrande (RE) – C.A. Ufficio dell'Organismo di Vigilanza c/o Modula S.p.A.*, or by sending an e-mail to odv@modula.com.

The *owner* of the reporting management process is the SB of Modula S.p.A.

The SB evaluates the reports received and the activities to be carried out; any consequent measures are defined and applied in accordance with the provisions of the disciplinary system (see, in this regard, the following paragraph 4).

During every stage of the reporting process, the Company ensures compliance with the provisions in force regarding reporting in the private sector¹.

The SB manages each report received in such a way as to keep confidential its existence and content as well as the identity of the reporting parties who choose not to remain anonymous, without prejudice to the protection of the rights of persons accused incorrectly or in bad faith and the rights of workers, the Company and third parties.

The Company expressly prohibits any act of retaliation or discrimination, direct or indirect, against whistleblowers for reasons directly or indirectly related to whistleblowing. These protections apply not only to the Company's employees, but also to all subjects who, in various ways, come into contact with the Company (e.g. self-employed workers, consultants,

The Company also observes Italian Legislative Decree no. 24 of 10 March 2023, which implements EU Directive 2019/1937 of the European Parliament and of the Council on the protection of people who report violations of EU law. The provisions of the aforementioned Decree took effect on 15 July 2023. Reports made prior to the date of entry into force of the aforementioned Decree, as well as those made until 14 July 2023, continue to be subject to the provisions of Article 54-bis of Italian Legislative Decree no. 165 of 2001, of Article 6, paragraphs 2-bis, 2-ter and 2-quater, of Italian Legislative Decree no. 231/2001 and of Article 3 of Italian Law no. 179/2017.

suppliers, trainees, volunteers, etc.) and to the so-called facilitators² and third parties connected to the reporting party (e.g. colleagues and family members).

The violation of the measures to protect the reporting party defined by the Company as well as wilful misconduct or gross negligence related to making false reports are considered punishable conduct in accordance with the provisions of the disciplinary system (see, in this regard, paragraph 4 below).

The Supervisory Body files the reports received in a digital archive and/or as hard copies, in accordance with the provisions set down in the current legislation on the management of personal data: only members of the SB are allowed to access this archive for the sole purpose of performing the duties mentioned above.

Any violation of the above rules constitutes a violation of the Model.

GENERAL AND SPECIFIC INFORMATION FLOWS

The disclosure obligations towards the SB extend to the following information flows:

- general information flows;
- specific information flows for a relevant process under the Decree.

In particular, in addition to the reporting obligations referred to in paragraph 3.4.1, the Department/Function Managers, in the sphere of their duties, are required to promptly notify the Supervisory Body in a non-anonymous form whenever a relevant event occurs, such as:

- measures and/or information from criminal investigation authorities, from any other authority, which indicate the existence of an ongoing investigation or criminal proceedings, even against unknown individuals, relating to facts of interest and/or that may involve the Company (whether relating to Italian Legislative Decree no. 231/2001 or not);
- measures and/or information concerning the existence of significant administrative or civil proceedings relating to requests or initiatives by Public Authorities;
- any instrument or summons to testify involving Company employees or collaborators;
- requests for legal assistance submitted by employees in the event of criminal or civil proceedings against them (not only in relation to the crimes referred to in Italian Legislative Decree no. 231/2001);
- visits, inspections and investigations initiated by competent public bodies and, upon their conclusion, any findings and penalties applied;
- information relating to any disciplinary procedure carried out and any sanctions

² Those subjects who have assisted the whistleblower in the reporting process and whose assistance must be kept confidential.

applied or the closure of the case with the related reasons;

- communications relating to organizational and corporate changes that have occurred in their area of activity;
- anomalies or critical issues identified in the performance of sensitive activities as regards the application of Italian Legislative Decree no. 231/2001.

Each Department/Function Manager, as the person in charge of the proper implementation of the company rules intended to monitor the risks identified in the areas of their expertise, is also required to provide the Supervisory Board, promptly or on a periodic basis, the data and information formally requested by the latter through a specific procedure or communication (so-called “specific information”).

General information and specific information must be sent to the SB in writing using the specific e-mail address provided for this purpose.

Any information or report provided is kept by the Supervisory Body in a special confidential file (in electronic or paper support): the members of the SB have exclusive access to this archive solely for reasons related to the performance of the tasks described above

3.5 Reporting of the Supervisory Body to the corporate bodies

In order to guarantee full autonomy and independence in the performance of its functions, the Supervisory Body reports directly to the Company’s Board of Directors.

In particular, the SB provides the Board of Directors (and for reference, the Board of Statutory Auditors) with:

- an information report relating to the activities carried out on a periodic basis, at least annually;
- information on the Supervisory Plan on a periodic basis, at least annually;
- a communication upon the occurrence of ascertained violations of the Model with the presumed commission of crimes, always within its sphere of competence.

In any case, the Supervisory Body has the right to request a meeting with the Board of Directors or the Board of Statutory Auditors when necessary. Similarly, the Board of Directors and the Board of Statutory Auditors have the right to request a meeting with the Supervisory Body when appropriate.

The following aspects must be addressed in the annual reporting:

- checks and inspections carried out by the Supervisory Body and their outcome;
- any critical issues which emerged;
- the progress of any measures to correct and improve the Model;
- any legislative innovations or organizational changes that require updates in the identification of risks or changes to the Model;
- any disciplinary sanction applied by the competent bodies following violations of

the Model;

- any reports regarding alleged violations of the Model or the Code of Ethics received from internal and external subjects during the period;
- other information deemed significant.

The meetings with the corporate bodies to which the Supervisory Body reports must be documented. The Supervisory Body is responsible for the filing of the related documentation.

4. Disciplinary and sanctioning system

4.1 Function of the disciplinary system

The definition of an adequate disciplinary system with sanctions proportionate to the seriousness of the violation of the rules referred to in this Model by the Recipients is an essential prerequisite for the effectiveness of the Model itself.

The sanctions envisaged will be applied to any violation of the provisions contained in the Model, regardless of the conduct and outcome of any criminal proceedings initiated by the Judicial Authority, in the event that the conduct constitutes a crime pursuant to Italian Legislative Decree no. 231/2001.

In any case, the sanction is independent of the commission of the crime and is understood as the Company's reaction to the failure to comply with the procedures or rules of conduct referred to in the Model.

Disciplinary sanctions will therefore also be applied to all those who fail to comply with the provisions of paragraph 3.4 above regarding reporting to the Supervisory Body; in particular, sanctions will be applied to any Recipient who:

- violates the measures to protect a reporting party defined by the Company;
- brings about any form of retaliation or discrimination, direct or indirect, against parties reporting alleged violations;
- makes reports which prove to be unfounded with wilful misconduct or gross negligence.

4.2 Measures against non-managerial employees

Violations of the provisions and rules of conduct envisaged by the Model and its Annexes by Company employees are understood as a breach of contract.

It follows that the violation of the individual provisions and rules of conduct envisaged by the Model and its Annexes by the employees of the Company may lead to the adoption of disciplinary sanctions, within the limits established by the applicable National Collective Labour Agreement (CCNL for the Metalworking-Industry sector).

The measures that can be applied against the Company's employees due to misconduct, in compliance with the provisions of Art. 7 of Italian Law no. 300 of 20 May 1970, are those

provided for by the disciplinary regulations referred to in the National Collective Labour Agreement for employees of the metalworking and systems installation industry, in particular:

- verbal warning;
- written warning;
- fine not exceeding the amount of 3 hours of pay;
- suspension from work and from pay for up to a maximum of 3 working days;
- individual dismissal.

The type and extent of the disciplinary action is defined taking into account the seriousness and/or recidivism of the violation and the degree of misconduct, more precisely:

- intentionality of the behavior;
- presence of aggravating or mitigating circumstances;
- importance of the violated obligations;
- extent of the damage to the Company;
- position, level of hierarchical responsibility and autonomy of the employee;
- shared responsibility, if any, with other persons who participated in causing the breach;
- any similar prior misconduct.

In particular, in the case of the violation of the rules provided for by the Model or referred to in it and in the case of the commission (even as an attempt) of any crime under Italian Legislative Decree no. 231/2001, the measures listed below apply.

VERBAL WARNING

- minor failure to comply with the rules of conduct of the company's Code of Ethics and the Protocols provided for by the Model;
- minor failure to comply with Company Procedures and/or the Internal Control System;
- tolerance of minor failures to comply or irregular conduct by subordinates or by other members of the personnel pursuant to the Model, the Protocols, the Internal Control System and the Company Procedures;
- failure to comply, due to minor negligence, with requests for information or the presentation of documents by the Control Body, unless for justified reasons.

"Minor failure to comply" refers to those cases where the conduct is characterized by minor negligence and has not generated any risk of sanctions or damage for the Company.

WRITTEN WARNING

A written reprimand may be applied in the case of those employees responsible for having,

as a result of minor negligence, committed the following violations, which have exposed the Company to the risk of penalties or damage of no particular gravity:

- failure to comply with the rules of conduct of the company's Code of Ethics and the Protocols provided for by the Model;
- failure to comply with Company Procedures and/or the Internal Control System;
- tolerance of failures to comply by subordinates or by other members of the personnel pursuant to the Model, the Protocols, the Internal Control System and the Company Procedures;
- delay in fulfilling requests for information or the presentation of documents by the Supervisory Body, unless for justified reasons.

FINE NOT EXCEEDING THE AMOUNT OF 3 HOURS OF PAY / SUSPENSION FROM WORK AND FROM PAY FOR A MAXIMUM OF 3 WORKING DAYS

- violations punishable with the previous sanctions when, due to objective circumstances, specific consequences or recidivism, they take on greater relevance;
- repeated or serious failures to comply with the rules of conduct of the company's Code of Ethics and the Protocols provided for by the Model;
- repeated or serious failures to comply with Company Procedures and/or the Internal Control System;
- failure to report or tolerance of failures to comply by subordinates or by other members of the personnel pursuant to the Model, the Protocols, the Internal Control System, and the Company Procedures;
- repeated failures to fulfil requests for information or the presentation of documents by the Supervisory Body, unless for justified reasons.

DISMISSAL FOR JUSTIFIED SUBJECTIVE REASON OR FOR JUST CAUSE

Significant violation (committed with intent or gross negligence) of the rules of conduct provided for by the Model, the Code of Ethics, the related 231 Protocols and Company Procedures, able to cause, even potentially, serious moral or material harm to the Company, for example conduct resulting in one or more crimes or unlawful acts representing the conditions for crimes, such as:

- all violations of company rules issued pursuant to Italian Legislative Decree no. 231/2001 that, due to willfulness or their criminal or pecuniary consequences or recidivism or their particular nature, are so serious as to break the relationship of trust with the Company;
- commission of inappropriate acts or the omission of obligations pursuant to the Model or the related Preventive Protocols, which at the end of judicial proceedings resulted in the sentencing of the Company to pay fines and/or injunctive measures for having committed the crimes provided for by Italian Legislative Decree no. 231/2001;

- violation of Company Procedures of such severity - whether due to willfulness or because it was committed with gross negligence or because of its technical, organizational, legal, economic or reputational consequences or due to recidivism or its particular nature - as to break the relationship of trust with the Company.

Dismissal for just cause will be applied in the event that the facts attributed to the employee are so severe as not to permit the continuation, even provisional, of the employment relationship.

Workers involved in disciplinary proceedings for violations falling within the scope of this sanctioning system may be suspended from work as a precautionary measure, within the terms and in the manner established by the aforementioned CCNL [*National Collective Labour Agreement*].

GENERAL PRINCIPLES

It is understood that the procedures, provisions and guarantees provided for by Art. 7 of the Italian Statute of Workers will be applied for disciplinary measures. In particular:

- no disciplinary measure can be implemented against a worker without having previously notified the individual of the misconduct and without offering them the opportunity to defend themselves;
- for disciplinary measures more serious than a warning or verbal reprimand, the worker must be notified in writing of the specific violation;
- no disciplinary measure can be applied until at least eight days following the notification, a period during which the worker may present their justifications. If the disciplinary measure is not issued within the subsequent 8 days, the worker's justifications will be considered accepted;
- the measure must be applied within sixteen days of the notification, even if the worker does not provide any justification;
- if the violation is so serious that it may result in dismissal, the worker may be suspended from work as a precaution until the measure is issued, without prejudice to their right to remuneration during this period;
- the imposition of any disciplinary measure must be justified and communicated in writing;
- the worker may present their justifications in writing or verbally.

The verification of the aforementioned violations (possibly following a report by the Supervisory Body), the management of disciplinary measures, and the imposition of the relative sanctions are the responsibility of the Employer, through the management personnel of reference.

Any instrument or measure relating to the disciplinary procedure must be communicated to the Supervisory Body for evaluation and monitoring within its competence.

4.3 Measures against managers

The conduct of senior management constituting a violation of the rules of conduct or the procedural rules provided for in the Model are sanctioned by the Company in compliance with Art. 7 of the Italian Statute of Workers and the National Collective Agreement for Industry Managers.

In addition to the revocation of any powers granted to them, disciplinary measures against managers include:

- written reprimand, in the event of a minor violation of the Model;
- dismissal without notice, in the event of a serious violation of the Model that damages the relationship of trust with the Company in such a way as to prevent the continuation, even temporarily, of the employment relationship.

By way of example, the following constitute violations:

- the commission, even in the form of an attempt, of a crime under Italian Legislative Decree no. 231/2001 in the performance of their office;
- the failure to comply with the rules established by the Model or the Code of Ethics;
- the failure to supervise subordinates regarding compliance with the Model and the rules referred to in it;
- the failure to fulfil the obligations related to “reporting” and “information” with regard to the Supervisory Body;
- the tolerance of or failure to report non-compliant conduct by other employees, associates, or contractors of the Company;
- the violation of the measures to protect the reporting party defined by the Company as well as wilful misconduct or gross negligence related to making false reports.

In any case, if the violation of the Model interrupts the relationship of trust with the Company, the sanction is the termination of the employment relationship.

Any instrument or measure relating to the disciplinary procedure must be communicated to the Supervisory Body for evaluation and monitoring within its competence.

4.4 Measures against Directors

The Supervisory Body, being aware of a violation of the provisions and rules of conduct of the Model or of the Code of Ethics by members of the Board of Directors, must promptly notify the Sole Shareholder and the entire Board of Directors which, having evaluated the validity of the report, having carried out the necessary verifications and having heard the opinion of the Board of Statutory Auditors, may take the appropriate measures provided for by the law.

The Sole Shareholder, on the proposal of the Board of Directors and after consulting the Board of Statutory Auditors, considering the seriousness of the violation and the circumstances in which it was committed, will adopt the sanctions indicated below in

accordance with the powers provided for by the law and/or the Articles of Association, without prejudice to the Company's right to pursue civil and/or criminal legal actions independently and regardless of the application of said measures:

- revocation of the delegated powers;
- revocation of the appointment.

In the event of violations committed by a member of the senior management who also has the qualification of executive, the disciplinary sanctions referred to in Art. 4.3 above will apply.

By way of example, the following are violations of a Director's duties:

- the commission, in the performance of duties, of a crime under Italian Legislative Decree no. 231/2001, even in the form of an attempt;
- the failure to comply with the rules established by the Model or the Code of Ethics;
- the failure to supervise the Company's employees, associates, and contractors regarding their compliance with the Model and the rules referred to in it;
- the failure to fulfill the obligations related to "reporting" and "information" with regard to the Supervisory Body;
- the violation of the measures to protect the reporting party defined by the Company as well as wilful misconduct or gross negligence related to making false reports;
- the tolerance of or failure to report non-compliant conduct by other employees, associates, or contractors of the Company.

Any instrument or measure relating to the disciplinary procedure must be communicated to the Supervisory Body for evaluation and monitoring within its competence.

4.5 Measures against Statutory Auditors

The Supervisory Body, being aware of a violation of the provisions and rules of conduct of the Model or the Code of Ethics by one or more Statutory Auditors, must promptly notify the entire Board of Statutory Auditors and the Board of Directors which, having assessed the content of the report and carried out the necessary investigations, may take the appropriate actions in order to adopt the most suitable measures provided for by the law.

The Sole Shareholder, on the proposal of the Board of Directors and after consulting the Board of Statutory Auditors, taking into account the seriousness of the violation and the circumstances in which it was committed, will revoke the appointment for just cause, in accordance with the powers provided for by the law and/or the Articles of Association, without prejudice to the Company's right to pursue civil and/or criminal legal actions independently and regardless of the application of this measure.

By way of example only, the following constitutes a violation of the Model:

- failure to monitor and/or supervise subordinates regarding the proper application

of the rules of conduct and procedures of the Model;

- failure to notify the Supervisory Body and/or the Board of Directors and/or the Board of Statutory Auditors of the violations of the Model committed by employees and/or the senior management of which there is certain and direct knowledge.

Any instrument or measure relating to the disciplinary procedure must be communicated to the Supervisory Body for evaluation and monitoring within its competence.

4.6 Measures against suppliers and business partners

Where possible, compliance with the Code of Ethics and/or the Protocols applicable to contracts, particularly those related to supply and consultancy services, is a necessary condition to enter into contracts of any type with the Company.

When possible, such contracts must provide for termination clauses, or withdrawal rights in favour of the Company without any penalty for the latter, in the event of the commission of the crimes under Italian Legislative Decree no. 231/2001, or in the event of the violation of rules of the Code of Ethics, the Model and/or related Protocols.

In any case, the commission of unlawful acts or conduct which violate the Code of Ethics or the company's Protocols will be considered just cause for termination of the contract pursuant to articles 1453 et seq. of the Italian Civil Code.

The Company reserves the right to take criminal action and claim compensation for damage if such behaviour causes damage of any kind to the Company, for example in the case in which a court applies the measures provided for by the Decree to the Company.

4.7 Measures against collaborators, consultants, self-employed workers

As regards self-employed workers and collaborators of the Company in general, violations or the circumvention of the Model, the Code of Ethics and/or the Protocols represent a serious breach of contract. The Company implements the provisions of Article 1453 et seq. of the Italian Civil Code in relation to termination for breach of contract.

Therefore, where possible, in all relations with the aforementioned subjects, specific termination clauses must be provided for, in particular in supply and collaboration contracts, in addition to specific clauses providing for compensation for damage and indemnity.

5. DISSEMINATION OF THE MODEL

5.1 Premise

Adequate training and ongoing information to the Recipients regarding the principles and provisions contained in the Model and its Annexes are of paramount importance for its proper and effective implementation.

All the Recipients of the Model are required to have full knowledge of the objectives of correctness and transparency that are pursued with the Model itself and of the methods by

which the Company has undertaken to pursue them through the preparation of an adequate system of procedures and controls.

Communication and training on the principles and contents of the Model are guaranteed by the Supervisory Body which, in agreement with the Company, defines the best way to use them.

The communication and training activities (including the training plan) are supervised by the Supervisory Body which may propose any changes or additions deemed useful.

5.2 Communication regarding the Model

The adoption of this Organizational Model and its subsequent updates are communicated to the Recipients immediately after its adoption or update. The Organizational Model is published in electronic format on the company intranet. All Recipients are notified of this publication by means of a specific e-mail communication.

Following the publication of the Organizational Model on the intranet, the Recipients undertake to comply with the principles, rules, and procedures contained therein as they carry out the tasks relating to the areas relevant to the Decree and any other activity that may be carried out in the interest or to the advantage of the Company.

New hires will be made aware of the adoption of the Organizational Model and will be provided with precise indications to find the Organizational Model on the company intranet.

Furthermore, each employee will be required to sign a declaration of acceptance of the contents of the Model.

5.3 Personnel training

In order to facilitate the understanding of the legislation referred to in the Decree and the Model, employees, in different ways according to their position and degree of involvement in the activities identified as sensitive pursuant to Italian Legislative Decree no. 231/2001, are required to participate in the specific training activities promoted.

The Company guarantees the organization of specific training activities aimed at senior management and other employees involved in sensitive activities, with frequency and contents suited to ensure knowledge of the Decree and the dissemination of the Model and the Code of Ethics.

Attendance at training programs is mandatory for all relevant Recipients and must be documented. Attendance verification and tests on the training topics may also be implemented.

5.4 Informing consultants and external collaborators

At the very beginning of any collaboration, consultants and external collaborators are made aware of the Model and the Code of Ethics adopted by the Company as well as of the requirement that their conduct be in compliance with Italian Legislative Decree no. 231/2001.

6. UPDATING AND ADAPTATION OF THE MODEL

The Board of Directors deliberates on the updating of the Model and its adaptation in relation to changes and/or additions that may become necessary as a result, for example, of:

- changes in the organizational structure of the Company and/or in the methods of carrying out business activities;
- regulatory changes;
- results of controls and inspections;
- significant violations of the provisions of the Organizational Model.

In the event that changes of an exclusively formal nature are necessary, such as explanations or clarifications of the text, the company departments can propose them to the Managing Director, who reports them without delay to the Board of Directors, after hearing the opinion of the SB. The Managing Director formally communicates the changes made to company personnel.

In any case, any events that make it necessary to modify or update the Model must be reported in writing by the SB to the Board of Directors, so that it can make the resolutions within its competence.

The amendments to the corporate rules and procedures necessary for the implementation of the Model are prepared by the competent corporate departments. The SB is constantly informed of updates and of the implementation of new operating procedures and is entitled to express its opinion on the proposed changes.