

BENETTON GROUP S.r.l.

UNITED COLORS
OF BENETTON.

Organizational,
Management and Control Model
ex Legislative Decree 231/2001

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DEFINITIONS

Agents: individuals not employed by the Company who act in the name and on behalf of the Company under an agency mandate.

Contractors: the contractors of works or services pursuant to the Civil Code, as well as subcontractors, administrators and self-employed workers who have entered into a work contract with the Company and whose work the Company uses in Sensitive Activities.

Sensitive Activities: the activities of the Company within the scope of which there is a risk of commission of crimes under the Decree.

CCNL: National Collective Labor Agreement.

Code of Ethics: Benetton Group's Code of Ethics.

Collaborators: the Company's Collaborators, including "seasonal", project-based, temporary/admin workers.

BoD: the Board of Directors of the Company.

Consultants: individuals not employees of the Company who act on the basis of a collaborative relationship.

Decree: the Legislative Decree No. 231 of June 8, 2001, as amended and supplemented.

Suppliers: the suppliers of goods and services that the Company uses within the scope of Sensitive Activities.

Confindustria Guidelines: a document-guide of Confindustria for the construction of Organization, Management and Control Models.

Model 231: Organization, Management and Control Model pursuant to Legislative Decree 231/2001.

Supervisory Board or SB: the body provided for in Article 6 of the Decree, responsible for supervising the functioning and observance of Model 231.

PA: the Public Administration.

Predicate Offenses or Crimes: the types of crimes relevant under Legislative Decree No. 231/2001 of June 8, 2001.

Group Companies: all Companies belonging to the corporate group headed by Benetton Group S.r.l., which are directly or indirectly controlled by the latter.

PREMISE

Benetton Group S.R.L. is a company engaged in the creation, production, promotion and distribution of clothing and accessories.

The Company initiated the process of adapting its organizational system to Legislative Decree No. 231 of June 8, 2001 during 2003 by adopting an initial version of Model 231.

MODEL STRUCTURE

Benetton's Model 231 consists of this document, the "Special Parts" that list the control safeguards for each family of offenses deemed relevant to the Company's context, and the documents referred to from time to time in the text of the Model.

The Code of Ethics is a fundamental reference principle, identifying ethical values relevant to the prevention of predicate offenses.

GENERAL PART

1

LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

1.1. Scope and nature of entity liability

Legislative Decree 231/2001 introduces and regulates the administrative criminal liability of entities.

Entity liability arises if:

- a crime indicated by the Decree is committed;
- the crime was committed by a person who has a special connection with the entity;
- there is an interest or advantage for the entity in the commission of the crime.

The administrative liability of the entity is independent of that of the natural person committing the crime and thus exists even if the perpetrator of the crime has not been identified or if the crime has been extinguished for a cause other than amnesty. The liability of the entity, in any case, is in addition to and does not replace that of the individual perpetrator of the crime.

The Predicate Crimes are likely to be further expanded in the future.

An entity that has its head office in Italy can also be held liable for crimes committed abroad.

1.2. Exemption from liability

The legislature provides for the liability of the entity if the predicate offense is committed by:

- a) people who hold positions of representation, administration or management of the entity or one of its organizational units with financial and functional autonomy as well as by people who exercise, even in practice, the management and control of them, (so-called **apical individuals**);
- b) people who are subject to the direction or supervision of one of the individuals referred to in paragraph (a) (so-called **subordinates**).

In addition, the crime must be committed in **the interest or for the benefit** of the corporation: therefore, it must involve the company's business or the company must have had some benefit, even potential, from the crime.

The Decree provides for the exclusion of liability only if the entity proves that:

- the BoD has adopted and effectively implemented, prior to the commission of the act, organization, management and control models suitable to prevent crimes of the kind that occurred;
- the task of supervising the functioning as well as compliance with the models and ensuring that they are updated, has been entrusted to a body of the entity with autonomous powers of initiative and control;
- there has been no failure or insufficient supervision by the said body;
- people committed the crime by fraudulently circumventing the 231 model.

1.3 Penalties

An entity held liable for committing one of the predicate offenses may be sentenced to four types of penalties, differing in nature and manner of execution:

- 1) **financial penalty**, determined by the court through a system based on "shares." The size of the financial penalty depends on:
 - seriousness of the crime,
 - degree of company responsibility,
 - activities carried out to eliminate or mitigate the consequences of the crime or to prevent the commission of other offenses.

2) prohibitory penalties, applied in addition to monetary penalties only if they are provided for the crime for which they are being prosecuted and only if at least one of the following conditions is applicable:

- the entity derived a significant profit from the crime and the crime was committed by an apical person, or by a subordinate person, but in the latter case if the commission of the crime was made possible by serious organizational deficiencies;
- in case of reiteration of the offenses.

The prohibitory penalties provided for by the Decree are:

- the temporary or permanent disqualification from engaging in the activity;
- the suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- the prohibition of contracting with the public administration, except to obtain the performance of a public service;
- the exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted;
- a temporary or permanent ban on advertising goods or services.

Disqualifying sanctions are aimed at the specific activity to which the entity's offense relates and are normally temporary, ranging from three months to two years, but may exceptionally be applied with definitive effect.

3) confiscation: consists in the acquisition by the state of the price or profit of the crime or a value equivalent to them.

4) publication of the judgment of conviction once, at the expense of the entity, in one or more newspapers specified by the Judge in the judgment as well as by posting in the municipality where the entity has its principal office.

2

THE ORGANIZATIONAL, MANAGEMENT AND CONTROL MODEL OF THE COMPANY

2.1 Methodology of risk analysis

For the purpose of preparing the Model, the Company proceeded with the following activities:

- 1. Identification of sensitive activities**, or those activities within the company's processes in which one or more offenses could potentially occur in the interest or to the benefit of the Company;
- 2. Risk assessment** for each sensitive activity, given by the combination of consequences (interest and/or potential benefit to the Company) and their probability of occurrence;
- 3. Identification and evaluation of control arrangements:** for each Sensitive Activity with a level of risk, at least medium, have been identified in the procedures of the Company the safeguards capable of subjecting to adequate control the Sensitive Activities and / or their methods of implementation, contributing to the prevention and management of the hypotheses of occurrence of the risk-offenses presupposed by the responsibility of the entity.
- 4. Definition and implementation of necessary actions to overcome identified gaps:** at this stage, particular attention was paid to identifying and regulating the processes of management and control of financial resources and utilities in general, as well as the information obligations in the head of the various contacts/responsible persons in favor of the Supervisory Board in order to enable it to perform its functions of supervision and control of the actual effectiveness and compliance with the Model.

2.2. Recipients of the Model

The prescriptions of the Model are addressed to Employees, Members of Corporate Bodies and the Supervisory Board, Collaborators, Suppliers, Contractors, Consultants, representatives of other Group Companies, involved in Sensitive Activities.

2.3. Adoption, amendments and additions to the Model

The SB may make purely formal changes to this document, or revisions/additions that have no substantial impact on the provisions of the documents concerned.

Instead, the task of updating and supplementing the Model is assigned to the BoD.

With a view to continuous improvement, Model 231 is subject to updates that take into account:

- legislative novelties and developments in case law and doctrine;
- company's corporate organizational changes;
- outcomes of supervisory activities and findings of internal audit activities.

3

THE COMPONENTS OF THE PREVENTIVE CONTROL SYSTEM

AND THE BUSINESS ORGANIZATION

The Model prepared by Benetton is based on and integrated with a structured and organic internal control system composed of protocols and rules, tools for defining responsibilities, as well as mechanisms and tools for monitoring business processes.

The principles guiding the architecture of Benetton's internal control system are:

- **clear identification of roles, tasks and responsibilities** of those involved in carrying out the company's activities (internal or external to the organization);
- **segregation of activities** between those who operationally perform an activity, those who control it, those who authorize it, and those who record it (where applicable);
- **verifiability and traceability of operations:** documentation produced and available on paper/electronic media, must be filed in an orderly and systematic manner by the functions involved;
- **identification of preventive controls and ex-post verifications:** manual and/or automatic safeguards must be in place suitable to prevent the commission of the Offenses Supposed to be committed or to detect ex-post irregularities that could conflict with the purposes of this Model.

The components of the control environment include the following elements:

3.1 Code of Ethics

The Company considers it necessary for Recipients to abide by ethical principles and general rules of conduct in the performance of its activities and in the management of relations with Recipients of the Model, in intercompany relations and with the Public Administration. These rules are formulated in the Code of Ethics.

3.2 Organizational System

The Company's organizational system is defined through the preparation of a corporate organizational chart and the issue of delegations of functions and organizational arrangements (service orders, internal organizational directives), which provide a clear definition of the functions and responsibilities assigned to each local organizational unit.

3.3 Authorization system

The authorization and decision-making system results in an articulated and coherent system of delegation of

functions and powers of attorney of the Company, suitable to ensure that the attribution of powers takes place consistently with the organizational responsibilities assigned. Those who have dealings with the Public Administration on behalf of the company must be endowed with mandates/proxies to that effect.

3.4 Management and cash flow control system

The management control system adopted by Benetton is articulated in the different phases of annual budgeting, analysis of periodic financial statements, and forecasting at the Company level.

To this regard, the management of financial resources carried out by the Company is defined on the basis of principles marked by a reasonable segregation of functions, such as to ensure that all disbursements are requested, carried out and controlled by independent functions or individuals as distinct as possible. In addition, these are not assigned other responsibilities such as to result in potential conflicts of interest.

3.5 Information and training program

With specific reference to the activities carried out within the Sensitive Activities, an adequate program of information and training on significant updates of the Model is provided for employees involved in them.

3.6 Disciplinary system

The existence of a system of sanctions applicable in the event of non-compliance with the company's rules of conduct and, specifically, with the prescriptions and internal procedures set forth in the Model is an indispensable component for ensuring the effectiveness of the Model itself. On this aspect, please refer to what is described in Chapter 6.

3.7 Operational Procedures System

In particular, the organizational documents applicable in Sensitive Activities ensure the application of the following values:

- clear formalization of roles, tasks, and the manner and timing of implementation of regulated operational and control activities;
- separation of duties between the person who makes the decision, the person who authorizes its implementation, the person who performs the activities, and the person who is entrusted with control;
- traceability and formalization of each relevant activity of the process covered by the procedure for the purpose of traceability a posteriori of what has been achieved and evidence of the control principles and activities applied;
- adequate level of filing relevant documentation.

These organizational documents applicable in the Sensitive Activities integrate and complete the principles and rules of conduct, as well as the components of the system of organization, management and control described or referred to in this Model and are, therefore, to be considered an integral part of the components of the preventive control system referred to by the Model itself, useful for the purpose of preventing the commission of the offenses referred to in the Decree.

3.8 Computer information systems and applications

In order to oversee the integrity of data and the effectiveness of information systems used to carry out operational or control activities within or in support of Sensitive Activities, the presence and operation is guaranteed for:

- user profiling systems in relation to access to modules or environments;
- rules for the proper use of systems (hardware and software media);

- systems access control;
- management of authorization workflows.

3.9 Control protocols

The control protocols represent specific verification procedures documented by the Company for the purpose of the correct and concrete application of this Model by the Recipients. The description of the protocols hinges on four fundamental attributes:

1. **WHO:** who does the monitoring, that is, the responsible organizational unit;
2. **HOW:** how the control activity is carried out, that is, the Protocol Description;
3. **WHEN:** when the control is carried out, that is, the Frequency
4. **EVIDENCE:** what evidence is produced and retained to document that the control was performed.

4

SUPERVISORY BOARD

4.1 Requirements

In order to fulfill the functions established by the Decree, the Body must meet the following requirements:

- **autonomy and independence:** as also specified by the Confindustria Guidelines, the position of the Body in the Entity “must guarantee the autonomy of the control initiative from any form of interference and/or conditioning by any component of the Entity” (including the Board of Directors). Therefore, the Body must be included as a staff unit in a hierarchical position (as high as possible) with the provision of reporting to the company’s top operational management. Not only that: in order to ensure its necessary autonomy of initiative and independence, “it is necessary that the SB is not assigned operational tasks that, by making it a participant in operational decisions and activities, would undermine its objectivity of judgment at the time of checks on conduct and Model.”
- **professionalism,** necessary to be able to carry out the activity that the standard assigns to it;
- **continuity of action:** To ensure the effective implementation of the Organizational Model, it is necessary to have a structure dedicated exclusively to supervisory activities.

4.2 Composition and appointment

The Supervisory Board is appointed by the Board of Directors of Benetton Group S.r.l., reports directly to the Board of Directors and is not linked to the operational structures by any hierarchical constraint.

The activities carried out by the SB cannot be reviewed by any other corporate body or structure, it being understood that the BoD is in any case called upon to carry out a supervisory activity on the adequacy of its intervention, as it is ultimately responsible for the functioning and effectiveness of the Model.

Each member of the SB possesses the skills, knowledge and professional competence, essential to the performance of the tasks assigned to them being endowed with suitable inspection and advisory skills.

Changing the composition of the SB or assigning the role of the SB to individuals other than those identified here or changing the functions assigned to the SB must be approved by the BoD.

The Board of Directors shall, prior to each new appointment, verify the existence of the requirements expressly required by the Decree, as well as periodically evaluate the adequacy of the SB in terms of its organizational structure and the powers granted.

The term of office of the SB is set at one year from its acceptance. The member of the SB may resign from office and be re-elected at the end of the term of office.

4.3 Causes of ineligibility, reasons and powers of withdrawal

Appointment as a member of the Supervisory Board is subject to the presence of the subjective requirements of honorability, integrity, respectability and professionalism, as well as the absence of the following causes of incompatibility with the appointment itself:

- existence of relationships of family, marriage or affinity within the fourth degree with members of the Board of Directors, with apical individuals in general, with auditors of the Company and with auditors appointed by the auditing company;
- existence of conflicts of interest, even potential ones, with the Company such as to undermine the independence required by the role and duties of the SB;
- ownership, direct or indirect, of shareholdings of such magnitude as to enable it to exercise significant influence over the Company;
- performance of administrative functions - in the three fiscal years prior to appointment as a member of the SB - of companies subject to bankruptcy, compulsory liquidation or other insolvency procedures;
- public employment relationship with central or local government during the three years preceding the appointment as a member of the SB or the establishment of the consulting/collaboration relationship with the same body;
- existence of a conviction, even if not final, or a judgment applying the penalty on request (the so-called negotiation), in Italy or abroad, for the crimes referred to in the decree;
- existence of conviction, even if not confirmed by a final judgment, to a penalty that entails disqualification, including temporary disqualification, from public office, or temporary disqualification from the executive offices of legal persons and enterprises;
- existence of conviction, with final judgment, or judgment of application of the penalty on request (the so-called plea bargaining) in Italy or abroad, for crimes other than those mentioned in the decree, which affect professional morality.

The member of the SB, with the acceptance of the appointment, shall issue a special declaration to the Company in which he or she certifies, under his or her own responsibility, that there are no said reasons for incompatibility.

The rules described above also apply in the case of appointment of the member of the SB to replace the previously appointed member.

If in the course of the term of office the member of the SB ceases to serve (for example, due to resignation or revocation), the Company's Board of Directors will appoint the replacement(s).

Withdrawal from the position of member of the Supervisory Board and the assignment of that position to another person may only occur for just cause, through a special resolution of the Board of Directors taken by a majority of its members and with the approval of the Board of Auditors.

In this regard, "rightful cause" for revocation of the powers associated with the office of member of the SB may mean, by way of example and not exhaustive:

- the loss of the subjective requirements of honorability, integrity, respectability and professionalism that are present at the time of appointment;
- the occurrence of a reason for incompatibility;
- gross negligence in the performance of the duties associated with the position such as (but not limited to): failure to prepare the annual activity report to the Board of Directors; failure to prepare the activity plan;
- the "omitted or insufficient supervision" by the Supervisory Board; in accordance with the provisions of Article 6, paragraph 1, letter d) of the Decree;

- the assignment of operational functions and responsibilities within the corporate organization that are incompatible with the requirements of “autonomy and independence” and “continuity of action” proper to the Supervisory Board;
- the false statement about the non-existence of the reasons for incompatibility described above.

In particularly serious cases, the Board of Directors may, however, after hearing the opinion of the Board of Statutory Auditors, order the suspension of the powers of the SB and the appointment of a Body ad interim before providing for the withdrawal of the SB.

4.4 Functions, powers and budget of the Supervisory Board

The SB is completely autonomous in the performance of its duties and its determinations are unquestionable. In particular, the SB must:

- supervise compliance with the Model by the Recipients;
- to oversee the effectiveness and adequacy of the Model in relation to the corporate structure and the effective ability to prevent the commission of the Offenses Assumed;
- propose and urge the updating of the Model where there is a need to adapt it in relation to changed business, regulatory or external context conditions.

For the effective performance of the above functions, the SB is entrusted with the following duties and powers:

- periodically check the map of risk areas in order to ensure that it is adapted to changes in business and/or corporate structure;
- collect, process and store relevant information regarding the Model;
- periodically verify the effective implementation of corporate control procedures in areas of risk activities and their effectiveness;
- conduct spot checks on specific transactions or acts carried out within the scope of Sensitive Activities;
- conduct internal investigations and carry out inspection activities to ascertain alleged violations of the requirements of the Model;
- coordinating with other corporate functions, as well as with other control bodies (first and foremost the Board of Auditors), including through special meetings, for the better monitoring of activities in relation to the procedures established by the Model, or for the identification of new areas at risk, as well as, in general, for the evaluation of the various aspects pertaining to the implementation of the Model;
- coordinate and cooperate with parties responsible for the protection of the safety and health of workers and in environmental matters, in order to ensure that the control system in accordance with the Decree is integrated with the control system prepared in accordance with special regulations for safety in the workplace and in environmental matters;
- any other tasks assigned by the relevant regulations.

To this end, the SB will be empowered to:

- access to any and all company documents relevant to the performance of the functions assigned to the SB under the Decree;
- request from the various corporate structures the information deemed necessary for the performance of their duties, so that the timely detection of any violations of the Model is ensured;
- carry out periodic audits based on its own activity plan or even spot interventions not scheduled in said plan, but, nevertheless, deemed necessary for the performance of its tasks.

The BoD annually approves an availability of financial resources, proposed by the SB itself, to carry out the activities under its purview (e.g., specialized consulting, travel, etc.).

In the performance of its duties, the SB is supported by the Internal Audit Department and will in any case have the right to call upon the support of collaborators, identifiable in individuals belonging to any corporate function of the Company that from time to time may be useful to involve for the pursuit of the specified purposes and/or third-party consultants.

Employees of the SB, on the instructions of the SB itself, may, even individually, carry out the supervisory activities deemed appropriate for the functioning and observance of the Model.

Individuals belonging to a corporate function, in the performance of the task assigned to them as employees of the SB are accountable, hierarchically and functionally, exclusively to the SB.

The SB prepares an annual "Plan of Activities" that it intends to carry out, to be communicated to the Board of Directors.

The SB also has its own Regulations, which ensure its organization and aspects of operation such as, for example, the periodicity of inspection interventions, the manner of deliberation, the manner of convening and taking minutes of its meetings, the resolution of conflicts of interest, and the manner of revising the Regulations.

4.5 Whistleblowing

All Recipients must promptly report cases of violations, even alleged violations, of the Model, including anonymous ones as per the "Whistleblowing Procedure" available on the company site <https://www.benettongroup.com/en/the-group/governance/codes-and-procedures>.

The reports of these violations (hereinafter Reports) shall be sent to the Head of the Internal Audit Department through the following channels:

- by e-mail at the address: whistleblowing@benettongroup.com
- by ordinary mail: Head of Internal Audit of Benetton Group S.r.l., confidential, Via Villa Minelli 1, 31050, Ponzano Veneto, (TV) Italy

If relevant for the purposes of Legislative Decree 231/2001, Reports will be communicated to the SB.

Reports should be made in writing, sufficiently precise and circumstantial, and traceable to a defined event or area.

The Company guarantees the protection of any whistle-blower against any form of retaliation, discrimination, or penalization, without prejudice to legal obligations and the protection of the rights of the Company or persons wrongly accused and/or in bad faith.

The Head of Internal Audit will provide the whistle-blower with:

- an acknowledgment of receipt of the report within 7 days from receipt;
- an acknowledgment of the report within 90 days from the date of the acknowledgment of the receipt or, in absence of such notice, from the date of presentation of the report.

4.6 Reporting and information flows to the Supervisory Board

In order to facilitate supervision of the effectiveness and efficacy of the Model, the SB is the recipient of useful and necessary information for carrying out of the supervisory tasks assigned (hereinafter "information flows on sensitive activities").

The heads of business functions must indeed report:

- the critical issues, anomalies or atypicality found in the implementation of the Model;
- measures and/or news from judicial police bodies, or any other authority, from which it is inferred that investigations are being carried out, even against unknown people, for the Crimes;

- internal and external communications regarding any case that can be linked with hypotheses of offenses under the Decree (e.g., disciplinary measures initiated/implemented against employees);
- checks from which emerges responsibility for the offenses under the Decree;
- any communications from the external auditing firm, where engaged, regarding matters that may indicate deficiencies in the system of internal controls and/or observations on the Company's financial statements;
- any assignment given to the Board of Statutory Auditors, other than that concerning the audit of financial statements or accounting control.

In order to enable monitoring by the SB of activities of particular relevance carried out within the Sensitive Activities referred to in the Special Parts, Process Owners are required to transmit to the SB "Sensitive Activity Information Flows," as defined in the reporting procedures. In general, Process Owners must report to the SB:

- every six months on the activity carried out, by means defined in the reporting procedures;
- promptly in case of serious anomalies or violations of its requirements.

The manner and timing of information flows to the SB are regulated in detail in the reporting procedures made available to Process Owners.

4.7 Reporting by the SB to top management

The SB reports on the implementation of the Model and any critical issues directly to the Board of Directors.

The SB, to the Board of Directors, is responsible to communicate:

- at the beginning of each fiscal year, the Plan of Activities it intends to carry out to fulfill its assigned tasks;
- promptly report any violations of the Model or illegitimate and/or unlawful conduct of which it has become aware through Reports by Recipients that the SB believes to be well-founded or that it has verified;
- prepare, at least once a year, a report summarizing the activities carried out in the previous twelve months and their results, critical elements and violations of the Model, as well as proposals for the necessary updates to the Model to be put in place.

The Board of Directors and the Board of Statutory Auditors have the power to convene the SB at any time, which, in turn, has the power to request, through the relevant functions or individuals, the convocation of the aforementioned bodies for urgent and particularly serious reasons.

In addition, the SB may communicate the results of its investigations to the heads of the functions if the checks carried out reveal deficiencies, conduct or actions that are not in line with the Model. In such a case, it will be necessary for the SB to obtain from the heads of the Activities themselves a plan of actions to be taken, with a corresponding timeline, in order to prevent the recurrence of such circumstances.

The SB is obliged to immediately inform the Board of Statutory Auditors, as well as the Board of Directors, if the violation concerns the top management of the Company.

4.8 Information retention

All Information, Reports, Records and other documents collected and/or prepared in application of this Model shall be kept by the SB in a special file (computer and/or paper), managed by the SB, for a period of 10 years.

Access to the archive is allowed only to the SB and the BoD.

5 MODEL DIFFUSION

For the effectiveness of the Model, it is of primary importance that Recipients are fully aware of the rules of conduct.

5.1 Initial communication

Employees of the Company, and subsequently all new hires, are required to sign a statement of acknowledgement of the Model itself and a commitment to comply with its requirements.

On the other hand, with regard to the Company's Collaborators, Suppliers, Contractors, Consultants, Agents, and representatives of other Group Companies, the letter of appointment or contract must explicitly contain clauses containing the commitment to comply with the Model and/or the Code of Ethics.

In the event of significant revisions and/or updates to the Model, the Company will duly notify the Recipients. The Model is also made available on the Company's website.

5.2 Staff training

Staff training for the purpose of implementing the Model is the responsibility of the Board of Directors, which identifies the resources internal or external to the Company to be entrusted with its organization.

Participation in the above training activities by the identified individuals is mandatory; consequently, failure to participate will be sanctioned in accordance with the Disciplinary System contained in the Model.

The training should be differentiated according to the different business areas to which they belong, and a final learning test should be provided. Timely records must be kept of the training carried out.

6 DISCIPLINARY SYSTEM

6.1 Function of the disciplinary system

The definition of sanctions commensurate with the violation and applicable in case of violation of the 231 Model is intended to contribute to the effectiveness of the Model itself and the control action of the SB.

The application of disciplinary sanctions is independent of the initiation and outcome of any criminal proceedings, since the Model and the Code of Ethics constitute binding rules for the Recipients.

Verification of the adequacy of the disciplinary system, constant monitoring of any proceedings for the imposition of sanctions against employees, as well as actions against external parties are entrusted to the Supervisory Board, which also proceeds to the reporting of violations of which it becomes aware in the performance of its functions.

6.2 Violations of Model 231

They constitute violations of the Model, by way of example:

1. the implementation of actions or behaviors that do not comply with the requirements of the Model and the Code of Ethics, or the omission of actions or behaviors prescribed by Model 231 and the Code of Ethics, in the performance of Sensitive Activities or related activities, or the failure to comply with the obligations to inform the SB set out by the Model;
2. obstruction of controls, uncooperative behavior toward the SB, refusal to provide requested information or documentation, or other conduct likely to violate or circumvent the control systems set forth in the Model;
3. with reference to reports, including anonymous reports, the implementation of actions that violate the measures put in place to protect the reporter and the making, in bad faith or with gross negligence, of reports that are found to be unfounded.

6.3 Measures towards employees

The SB following violation of the behavioral rules contained in the Model reports such cases to the Human Resources Department for consideration of initiating disciplinary proceedings and possible imposition, which must be proportionate to the seriousness of the violation and take into account:

- intentionality of behavior or fault degree;
- overall behavior of the employee with particular regard to the existence or absence of disciplinary history; of the level of responsibility and autonomy of the employee perpetrator of the disciplinary offense;
- seriousness of the effects thereof by which is meant the level of risk to which the Company reasonably may have been exposed as a result of the conduct complained of;
- other special circumstances accompanying the disciplinary offense.

Disciplinary sanctions are those provided for in the collective agreement applied to the employment relationship of the employee concerned, as well as those in any case resulting from the application of the general legal provisions on termination (with or without notice) of the employment contract.

The Head of Human Resources shall notify the Supervisory Board about the imposition of the sanction, or the dismissal orders with the reasons thereof.

6.4 Measures towards managers

The Supervisory Board upon learning of a violation of Model 231 by an executive shall report the facts to its knowledge to the Human Resources Department and the Chief Executive Officer. The Company shall take action against the perpetrator of the conduct as required by applicable law and contract. If the violation of Model 231 breaks the relationship of trust, the sanction is identified as dismissal for right cause.

6.5 Measures towards members of the directors and auditors

Upon learning of a violation of Model 231 by one or more members of the Company's Board of Directors, the SB shall inform the Board of Statutory Auditors, the Chairman of the Board of Directors and the Chief Executive Officer. The Board of Directors, with the abstention of the person involved, shall make the necessary investigations and take the appropriate measures, which may include the precautionary revocation of delegated powers, as well as the convening of the Shareholders' Meeting to arrange for any replacement.

In case of a violation of the Model by one or more Statutory Auditors, the SB will inform the Board of Directors, which will take appropriate measures consistent with the seriousness of the violation.

6.6 Measures towards Consultants, Suppliers, Contractors, Agents, Collaborators, other third parties involved in Sensitive Activities

Any violation carried out by Consultants, Suppliers, Contractors, Collaborators, representatives of other Group Companies involved in Sensitive Activities, may determine, in accordance with the provisions of the specific contractual clauses included in the letters of appointment or in the agreements with them, the termination of the contractual relationship, without prejudice to any claim for compensation, if damage to the Company results from such conduct.