Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

Nolostand S.p.A.

Updated by the Board of Directors of
Nolostand S.p.A. of 25 July 2022

GENERAL PART

Annex: **Code of Ethics**

GENERAL PART

1. Background

Nolostand S.p.A. (hereinafter, "Nolostand" or the "Company") has proceeded with the adoption of its own Organisation, Management and Control Model (hereinafter, the "Model" or "Model 231") in accordance with the legislation set out by **Legislative Decree 231/2001** (hereinafter, also the "**Decree**") in the field of administrative liability of entities.

In preparing this Model and subsequent updates, Nolostand has complied with the provisions of the Guidelines for the construction of Organization, Management and Control Models *pursuant* to Legislative Decree 231/2001 (hereinafter, the "**Guidelines**") issued by Confindustria in 2002, subsequently updated in 2008, 2014 and 2021 and approved by the Ministry of Justice, the prevailing jurisprudential guidelines on the subject, as well as the forecasts set out in the "Consolidated Principles for the drafting of organisational models and the activity of the Body" issued by CNDCEC, ABI, CNF and Confindustria in February 2019.

2. The administrative liability scheme provided for legal entities, companies and associations

The purpose of the Decree is to adapt domestic legislation on the liability of legal entities to certain international Conventions to which Italy had already acceded some time ago, such as: (i) the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Communities; (ii) the Convention also signed in Brussels on 26 May 1997 against corruption iii) and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

Legislative Decree no. 231 of 8 June 2001 introduced the administrative liability of legal entities, companies and associations even without legal personality" (hereinafter "Bodies") into the Italian legal system, in the event of the commission of certain types of crimes or administrative offenses in the interest or for the benefit of the Entity by:

(a) *"people who perform functions of representation, administration or management of the entity or its Management/Function with financial and functional autonomy as well as by people who exercise, even in fact, the management and control thereof" (so-called top managers) (article 5(a) of* the Decree);

(b) *"persons subject to the direction or supervision of one of the persons referred to in letter a)" (so-called subordinates)* (article 5(b) of the Decree).

This liability is in addition to the criminal and personal liability of the natural person guilty of the crime.

The objective of the legislation is therefore to expand the boundaries of personal criminal liability through the direct involvement of "entities" that have benefited from the crime being committed.

This is a criminal administrative liability, since, although it involves administrative penalties, it follows from the commission of a predicate offence by one of the persons indicated above, where the latter have acted in favour or in the interest of the entity and can only be sanctioned by the Criminal Code through the guarantees typical of a criminal law trial.

In particular, the Decree provides for an articulated system of penalties that ranges from fines to disqualification measures, such as the suspension or revocation of licenses and concessions, the prohibition of contracting with the Public Administration, the prohibition from exercising the activity, exclusion from or revocation of funding and contributions, the prohibition of advertising goods and services.

The administrative penalty for the company can only be applied if all the objective and subjective requirements set by legislators are met, in particular: *(i*) the commission of a certain predicate

offence, in the interest or for the benefit of company; [1] *(ii)* by qualified individuals (senior management or their subordinates) who have not acted in their own exclusive interest or that of third parties *(iii)* in the absence of an effective organisation, management and control model.

The liability provided for by the Decree also subsists in relation to offences committed abroad, provided that the State of the place where the offence was committed does not apply to them and the company concerned has its headquarters in Italy.

2.1. Offences that determine an entity's administrative liability

Based on Legislative Decree 231/2001, an entity can be held liable only for the offences expressly mentioned (so-called predicate offences), if committed in its interest or for its benefit by qualified persons pursuant to article 5(1) of the Decree itself or in the event of specific legal provisions that refer to the Decree

Below are the cases of offences taken into account by the Decree.

It should be noted that the list of these offences has been expanded by regulations following Legislative Decree 231/2001. The list contained in this document is therefore aligned with the legislation in force on the date of approval of the updated Model by the Board of Directors.

It should also be noted that, in the drafting of the Model and in subsequent updates to it, the rulings of the jurisprudence of legitimacy in matters of criminal law and administrative liability of entities deriving from an offence have also been taken into account.

Crimes against the Public Administration and its assets (articles 24, 25 and 25-decies of the Decree)

This is the first group of crimes originally identified by Legislative Decree 231/2001 and subsequently amended by Law 61/2002, Law 190/2012, Law 3/2019, Legislative Decree no. 75 of 14 July 2020[2] and, finally, by Decree-Law no. 13 of 2022[3]. This category of crimes comprises the following offences:

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1 Please note ruling no. 295 of the Criminal Court of Cassation, Section II, of 9.01.2018, which, regarding the notion of interest or advantage, clarified that: "*The jurisprudence of this Court [...] considers that the two criteria for the attribution of interest and advantage are placed in a relationship of alternatives, as confirmed by the disjunctive conjunction 'or', present in the text of the provision; the criterion of interest expresses a teleological evaluation of the crime, which can be determined ex ante, at the time the act is committed and according to a markedly subjective measure of judgment in relation to the psychological element of the specific natural person who committed the offense; The advantage criterion, on the other hand, has an essentially objective connotation, which as such can be evaluated ex post, on the basis of the effects specifically derived from the offense being committed and regardless of the original finalisation of the offense. However, gradually, jurisprudence has moved towards an objective conception not only of advantage but also of interest. [...] In fact, for the purpose of configuring the liability of an entity, it is sufficient to prove that it has obtained an advantage from the offence, even when it has not been possible to determine the actual interest vested ex ante in the offence being committed and provided that it has not, as mentioned, been simultaneously ascertained that the latter was committed in the exclusive interest of the natural person who perpetrated it or of third parties. It therefore seems correct to attribute to the notion of interest accepted in the first paragraph of article 5 a dimension that is not properly or exclusively subjective, which would determine a psychological gap in the assessment of the case, which indeed is not effectively justified in the regulatory provision. It is clear that the law does not necessarily require that the offender wanted to pursue the entity's interest in order for the latter's liability to subsist, nor is it required that the offender was even aware of realising this interest through his/her conduct.*

2 Legislative Decree 75/2020, concerning the implementation of the EU directive 2017/1371 (so-called "PIF Directive") on the fight against fraud to the Union's financial interests, has significantly expanded the list of predicate offences. In particular: (i) article 24 of the Decree has included the crimes of fraud in public supplies (article 356 of the Italian Civil Code) and of fraud against the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (article 2 of Law 898/1986); (ii) crimes under article 24 of the Decree are relevant not only if committed to the detriment of the State or other public body but also if committed to the detriment of the European Union; (iii) Article 25 of the Decree has been supplemented with three new crimes: embezzlement, embezzlement by profiting from the error of others and abuse of office, which, however, are only relevant if they

- embezzlement of public funds (article 316-*bis* of the Italian Criminal Code);
- undue receipt of funds of public funds(article 316-*ter* of the Italian Civil Code);
- fraud in public supplies (article 356 of the Italian Criminal Code);
- fraud against the State or other public body or the European Communities (article 640(2)(1) of the Italian Criminal Code);
- aggravated fraud to obtain public funds (article 640-*bis* of the Italian Criminal Code);
- computer fraud to the detriment of the State or other public body (article 640-*ter* of the Italian Criminal Code);
- fraud against the European Agricultural Fund (article 2 of Law 898/1986);
- concussion (article 317 of the Italian Criminal Code);
- corruption for the exercise of the function (article 318 of the Italian Criminal Code);
- corruption for an act contrary to official duties and aggravating circumstances (articles 319 and 319-bis of the Italian Criminal Code);
- judicial corruption (article 319-*ter* of the Italian Criminal Code);
- undue induction to give or promise utility (art. 319-quater of the Italian Criminal Code);
- corruption of a person tasked with a public service (article 320 of the Italian Criminal Code);
- penalty for the briber (article 321 of the Italian Criminal Code);
- incitement to corruption (article 322 of the Italian Criminal Code);
- embezzlement, bribery, undue induction to give or promise utility, corruption and incitement to corruption of members of International Courts or of the bodies of the European Communities and of international parliamentary assemblies or of international organisations and of officials of the European Communities and of foreign States (art. 322-*bis* of the Italian Criminal Code);
- trafficking in illegal influences (article 346-*bis* of the Italian Criminal Code);
- embezzlement (article 314(1) of the Italian Criminal Code), when the fact harms the financial interests of the European Union;
- embezzlement by profiting from the error of others (article 316 of the Italian Criminal Code), when the fact harms the financial interests of the European Union;
- abuse of office (article 323 of the Italian Criminal Code), when the fact harms the financial interests of the European Union;

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harm the financial interests of the European Union; (iv) Article 25-quinquiesdecies of the Decree has been amended with the introduction of some tax offences not included in the previous and recent reform (law 157/2019), that is, the crimes of inaccurate statement, failure to file a statement and undue compensation, provided that they are committed within the framework of cross-border systems of fraud and in order to evade VAT for a total amount not less than ten million euros and (v) the new article 25-sexiesdecies has included the crimes of smuggling provided for by Presidential Decree no. 43 of 1973 among the predicate offences.

3 Decree-Law no. 13 of 25 February 2022, concerning “Urgent measures to combat fraud and for safety in the workplace in the field of construction, as well as on electricity produced by plants from renewable sources”, amended article 24 of Legislative Decree 231/2001, as a result of changes, both on the structural level and on the scope of operation, of the crimes of embezzlement of public funds (article 316-bis of the Italian Criminal Code), undue receipt of public funds (article 316-ter of the Italian Criminal Code) and aggravated fraud to achieve public funds (article 640-bis of the Italian Criminal Code).

- induction not to make statements or to make false statements to the Judicial Authority (article 377- bis of the Italian Criminal Code).

Computer crimes and illegal data processing (article 24-bis of the Decree)

These are a series of crimes included in the Decree by Law No. 48 of 18 March 2008 and subsequently amended by Legislative Decree No. 7 of 2016, by Legislative Decree No. 8 of 201 and by Decree-Law No. 105 of 2019. . The article of the Decree in question provides for the administrative liability of the company in relation to the commission of criminal cases related to computer systems. This category of crimes includes the following offences:

- computer documents (article 491-*bis* of the Italian Criminal Code);
- abusive access to a computer or telematic system (article 615-ter of the Italian Criminal Code);
- possession, dissemination and abusive installation of equipment, codes and other means suitable for accessing computer or telematic systems (article 615-quarter of the Italian Criminal Code);
- possession, dissemination and abusive installation of equipment, devices or computer programs aimed at damaging or interrupting a computer or telematic system (article 615-quinquies of the Italian Criminal Code);
- illegal tapping, impediment or interruption of computer or telematic communications (article 617-quarter of the Italian Criminal Code);
- possession, dissemination and abusive installation of equipment and other means designed to tap, prevent or interrupt computer or telematic communications (article 617-quinquies of the Italian Criminal Code);
- damage to information, data and computer programmes (article 635-*bis* of the Italian Criminal Code);
- damage to information, data and computer programmes used by the State or by another public body or in any case of public utility (article 635-*ter* of the Italian Criminal Code);
- damage to computer or telematic systems (article 635-quater of the Italian Criminal Code);
- damage to public utility computer or telematic systems (article 635-quinquies of the Italian Criminal Code);
- computer fraud by the person who provides electronic signature certification services (article 640-*quinquies* of the Italian Criminal Code);
- violation of the rules on the National Cyber Security Perimeter (article 1(11) of Decree-Law no. 105 of 21 September 2019, so-called Cybersecurity Decree, enacted with amendments by Law no. 133 of 18 November 2019)[4].

4 This is a new predicate offence for entities falling within the national cyber security perimeter. Specifically, the entities involved must prepare and update annually a list of their networks, information systems and IT services whose malfunction or interruption could prejudice the interests of the State, to be submitted to said Authorities (CVCN - National Evaluation and Certification Centre, established at the Ministry for Economic Development). However, the so-called national cyber security perimeter has not yet been identified. To this end, within four months of the date of entry into force of the Conversion Law (that is, by 21 March 2020), a Decree of the President of the Council of Ministers must be issued and only those who fall within the perimeter shall be obliged to comply with Legislative Decree 105/2019, and therefore with the new predicate offence. These subjects, among other things, will be monitored and inspected by the Office of the President of the Council of Ministers or by the Ministry for Economic Development,

Organised crime (article 24-ter of the Decree)

These are a series of crimes included in the Decree by Law No. 94 of 2009. This category includes the following crimes:

- criminal association (article 416 of the Italian Criminal Code);
- mafia-type associations, including foreign ones (article 416-*bis* of the Italian Criminal Code);
- political-mafia electoral exchange (article 416-ter of the Italian Criminal Code);
- kidnapping for the purpose of robbery or extortion (article 630 of the Italian Criminal Code);
- association for the illegal trafficking of drugs or psychotropic substances (article 74 of Presidential Decree no. 309 of 9 October 1990);
- all crimes if committed using the conditions provided for by article 416-bis of the Italian Criminal Code to facilitate the activity of the associations provided for by the same article (Law 203/91);
- illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or war-type weapons or parts thereof, explosives, illegal weapons and more common firearms, excluding those provided for by article 2(3) of Law No. 110 of 18 April 1975 (article 407(2)(a)(5) of the Italian Code of Criminal Procedure).

Crimes of counterfeiting coins, public credit cards, stamp values and instruments or signs of recognition (article 25-bis of the Decree)

This article was added to the Decree with Law No. 409 of 2001 and was then amended by Law No. 99 of 2009 and, subsequently, by Legislative Decree No. 125 of 2016. This article includes the following predicate offences:

- counterfeiting of coins, spending and introduction into the State, after concertation, of counterfeit coins (article 453 of the Italian Criminal Code);
- alteration of coins (article 454 of the Italian Criminal Code);
- spending and introduction into the State, without concertation, of counterfeit coins (article 455 of the Italian Criminal Code);
- spending of counterfeit coins received in good faith (article 457 of the Italian Criminal Code);
- falsification of stamp values, introduction into the State, purchase, possession or release into circulation of falsified stamp values (article 459 of the Italian Criminal Code);
- counterfeiting of watermarked paper used for the manufacture of public credit cards or stamp values (article 460 of the Italian Criminal Code);

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depending on the public or private nature of the entity. From now on, it is certain that the rule shall apply to public administrations, entities and public and private operators, based in the national territory, on which the exercise of an essential State function depends, namely the provision of a service essential for the maintenance of civil, social or economic activities and whose malfunction, interruption (even partial) or misuse could prejudice national security.

- manufacture or possession of watermarks or instruments intended for the counterfeiting of coins, stamps or watermarked paper (article 461 of the Italian Criminal Code);
- use of counterfeit or altered stamp values (article 464 of the Italian Criminal Code);
- counterfeiting, alteration or use of trademarks or distinctive signs or of patents, models and designs (article 473 of the Italian Criminal Code);
- introduction into the State and trade of products with false signs (article 474 of the Italian Criminal Code).

Crimes against industry and trade (article 25-bis.1 of the Decree)

This article of the Decree was added with Law no. 99/2009 and provides for the following predicate offences:

- disruption of freedom of industry or trade (article 513 of the Italian Criminal Code);
- illegal competition with threat or violence (article 513-*bis* of the Italian Criminal Code);
- fraud against national industries (article 514 of the Italian Criminal Code);
- fraud in the exercise of trade (article 515 of the Italian Criminal Code);
- sale of food substances that are not genuine as genuine (article 516 of the Italian Criminal Code);
- sale of industrial products with false signs (article 517 of the Italian Criminal Code);
- manufacture and sale of goods made by usurping industrial property titles (article 517-ter of the Italian Criminal Code);
- counterfeiting geographical indications or designations of origin of agri-food products (article 517-quater of the Italian Criminal Code).

Corporate crimes (article 25-ter of the Decree)

Legislative Decree no. 61 of 11 April 2002, as part of the reform of corporate law, provided for the extension of the administrative liability of entities *pursuant to* Legislative Decree 231/2001 to certain corporate crimes. The aforementioned article was then amended by Law No. 262 of 2005, by Law No. 69 of 2015 and by Legislative Decree No. 38 of 2017. In particular, the following are predicate offences:

- false corporate communications (article 2621 of the Italian Civil Code);
- minor events (article 2621-*bis* of the Italian Civil Code);
- false corporate communications of listed companies (article 2622 of the Italian Civil Code);
- prevented control (article 2625(2) of the Italian Civil Code);
- undue return of contributions (article 2626 of the Italian Civil Code);
- illegal distribution of profits and reserves (article 2627 of the Italian Civil Code);
- illegal transactions on shares or stakes in the parent company (article 2628 of the Italian Civil Code);
- transactions to the detriment of creditors (article 2629 of the Italian Civil Code);

- failure to communicate conflicts of interest (article 2629-*bis* of the Italian Civil Code);
- fictitious formation of capital (article 2632 of the Italian Civil Code);
- undue distribution of company assets by liquidators (article 2633 of the Italian Civil Code);
- corruption between private individuals (article 2635 of the Italian Civil Code);
- incitement to corruption between individuals (article 2635-*bis* of the Italian Civil Code);
- illegal influence on the shareholders' meeting (article 2636 of the Italian Civil Code);
- agiotage (article 2637 of the Italian Civil Code);
- obstacle to the exercise of the functions of public supervisory authorities (article 2638(1) and (2) of the Italian Civil Code).

Crimes committed for the purpose of terrorism and subversion of the democratic order (article 25-quater of the Decree)

Article *25-quater* was introduced in Legislative Decree 231/2001 by article 3 of Law No. 7 of 14 January 2003. These are "*crimes for the purpose of terrorism or of subverting the democratic order, provided for by the Criminal Code and special laws*", as well as crimes, other than those indicated above, "*that have in any case been carried out in violation of the provisions of article 2 of the International Convention for the Suppression of the Financing of Terrorism made in New York on 9 December 1999*"[5]. The category of "*crimes for the purpose of terrorism or of subverting the democratic order, provided for by the Criminal Code and special laws" is generically mentioned by the Legislator, without indicating the specific rules whose violation would entail* the application of this article. However, the following cases can be listed as the main predicate offences:

- subversive associations (article 270 of the Italian Criminal Code);
- associations for the purpose of terrorism, including international terrorism, or of subverting the democratic order (article 270-*bis* of the Italian Criminal Code);
- aggravating and extenuating circumstances (article 270-*bis*.1 of the Italian Criminal Code)
- assistance to associates (article 270-*ter* of the Italian Criminal Code);
- recruitment for the purpose of terrorism, including international terrorism (article 270-*quater* of the Italian Criminal Code);
- organisation of transfer for purposes of terrorism (article 270-*quater*.1 of the Italian Criminal Code);
- training for activities for the purpose of terrorism, including international terrorism (article 270-*quinquies* of the Italian Criminal Code);
- financing of conduct for the purpose of terrorism (article 270-*quinquies*.1 of the Italian Criminal Code);

5 This Convention punishes anyone who, illegally and maliciously, provides or collects funds knowing that they will be, even partially, used to carry out: (i) acts aimed at causing the death - or serious injury - of civilians, when the action is aimed at intimidating a population, or coercing a government or international organisation; (ii) acts constituting a crime under the conventions relating to: flight and navigation safety, protection of nuclear material, protection of diplomatic agents, repression of attacks using explosives.

- misappropriation of assets or money subject to seizure (article 270-*quinquies*.2 of the Italian Criminal Code);
- financing of conduct for the purpose of terrorism (article 270-*sexies* of the Italian Criminal Code);
- attack for terrorist or subversive purposes (article 280 of the Italian Criminal Code);
- act of terrorism with deadly or explosive devices (article 280-*bis* of the Italian Criminal Code);
- acts of nuclear terrorism (article 280- *ter* of the Italian Criminal Code);
- kidnapping for the purpose of terrorism or subversion (article 289-*bis of the* Italian Civil Code);
- kidnapping for the purpose of coercion (article 289-*ter* of the Italian Criminal Code)
- incitement to commit any of the crimes provided for by Chapters I and II (article 302 of the Italian Criminal Code);
- political conspiracy by agreement (article 304 of the Italian Criminal Code);
- political conspiracy through association (article 305 of the Italian Criminal Code);
- armed band: formation and participation (article 306 of the Italian Criminal Code);
- assistance to members of a conspiracy or armed gang (article 307 of the Italian Criminal Code);
- takeover, hijacking and destruction of aircraft (article 1, Law No. 342/1976);
- damage to ground installations (article 2 of Law No. 342/1976, article 2);
- penalties (article 3 of Law No. 422/1989);
- Voluntary remediation (article 5 of Legislative Decree no. 625/1979);
- New York Convention of 9 December 1999 (article 2).

Female genital organ mutilation practices (article 25-quater.1 of the Decree)

This article of the Decree was added Law No. 7 of 2006 and includes practices of female genital organ mutilation as a predicate offence (article 583-*bis* of the Italian Criminal Code).

Crimes against the individual (article 25-quinquies of the Decree)

Article 25-*quinquies* was introduced in Legislative Decree 231/2001 by article 5 of Law no. 228 of 2003, and later supplemented by article 6(1) of Law no. 199 of 201. The provision in question provides for and punishes crimes against the individual and, in particular:

- forcing or keeping in slavery or servitude (article 600 of the Italian Criminal Code);
- child prostitution (article 600-*bis* of the Italian Criminal Code);
- child pornography (article 600-*ter* of the Italian Criminal Code);
- possession or access to pornographic material (article 600-*quater of the* Italian Criminal Code);
- virtual pornography (article 600 *quater*. 1 Italian Criminal Code);

- tourist initiatives aimed at the exploitation of child prostitution (article 600-*quinquies* Italian Criminal Code);
- human trafficking (article 601 of the Italian Criminal Code);
- purchase and alienation of slaves (article 602 of the Italian Criminal Code);
- illegal intermediation and exploitation of labour (article 603-*bis* of the Italian Criminal Code);
- child grooming *(article 609- undecies* of the Italian Criminal Code).

Market abuse (article 25-sexies of the Decree and article 187-quinquies of Legislative Decree no. 58/1998)

The crimes of market abuse were introduced in Legislative Decree 231/2001 by article 9 of Law No. 62 of 2005). As a result of this new legislation, the Decree provides that companies may be called to answer for the crimes of:

- Abuse or illegal disclosure of inside information. Recommending or inducing others to abuse inside information (article 184 of Legislative Decree no. 58/1998, or Consolidated Law on Finance);
- market manipulation (article 185 of Legislative Decree no. 58/1998, or Consolidated Law on Finance).
- prohibition of the abuse of inside information and the illegal disclosure of inside information (article 14 of EU Reg. no. 596/2014);
- prohibition of market manipulation (article 15 of EU Reg. no. 596/2014)

Furthermore, based on article 187- *quinquies* of the Consolidated Law on Finance, the entity can also be held liable if committed, in its interest or for its benefit, by people belonging to the categories of "top management" and "persons subject to others' management or supervision."

Crimes of manslaughter and serious or very serious negligent injury committed in violation of the regulations on occupational health and safety protection (article 25-septies of the Decree)

This category of crimes was introduced by article 9 of Law no. 123 of 2007, and was subsequently amended by Law no. 3/2018[6]. The administrative liability of the company is therefore provided for in relation to the crimes referred to in article 589 of the Italian Criminal Code (manslaughter) and referred to in article 590 of the Italian Criminal Code (negligent personal injury), committed in violation of accident prevention and occupational health and safety regulations

Crimes of receiving stolen goods, money laundering, use of money, goods or benefits of illegal origin and self-laundering (article 25-octies of the Decree)

6 Legislative Decree no. 107 of 2018 came into force on 29 September 2018 and sets out the rules for adapting national legislation to the provisions of EU Regulation 596/014 relating to market abuse. In particular, the text of article 187-quinquies of the Consolidated Law on Finance was reformulated, according to which "The Entity is punished with an administrative fine from twenty thousand euros to fifteen million euros, or up to fifteen percent of turnover, when this amount exceeds fifteen million euros and the turnover can be determined pursuant to article 195(l-bis), in the event that a violation of the prohibition set out in article 14 or in article 15 of the Regulation (EU) no. 596/2014 is committed in its interest or for its advantage."

These crimes were introduced in Legislative Decree 231/2001 with Legislative Decree No. 231 of 2007, and, subsequently, with Law No. 186 of 2014, the category of crimes falling within this category was expanded. Finally, the discipline was further modified by Legislative Decree no. 195 of 20217. In particular, the crimes falling into the aforementioned category are the following:

- recycling (article 648-*bis* of the Italian Criminal Code);
- receiving (article 648 of the Italian Criminal Code);
- use of money, goods or benefits of illegal origin (article 648-*ter* of the Italian Criminal Code);
- self-laundering (article 648-*ter.* 1 of the Italian Criminal Code).

Offences relating to non-cash means of payment (article 25-octies.1)

This article was introduced by Legislative Decree No. 184 of 2021[8]. In particular, the following predicate offences are provided for:

- misuse and forgery of non-cash means of payment (article 491-ter of the Italian Criminal Code);
- possession and distribution of computer equipment, devices or programmes intended to commit offences involving non-cash means of payment (article 491-quater of the Italian Criminal Code);
- computer fraud where aggravated by transfers of money, monetary values or virtual currencies (article 640-ter of the Italian Criminal Code).

Furthermore, again in accordance with article 25-octies.1 of the Decree, paragraph 2 also provides that fines may be applied to the entity in the event that any other crime is committed against public faith, against property or that in any case damages the assets provided for by the Criminal Code, when it concerns non-cash means of payment, unless the fact is part of another administrative offense punished more seriously.

Crimes relating to copyright infringement (article 25-novies of the Decree)

Law no. 99 of 2009 introduced article 25-*novies* into the Decree, subsequently amended by Law no. 116/09 and by Legislative Decree 121 of 2011. The current wording of the rule provides for the administrative liability of the entity in relation to the commission of the crimes referred to in articles 171(1)*(a-bis)*, and (3), 171-*bis*, 171-*ter* and 171-*septies*, 171-*octies* of Law No. 633 of 1941 in relation to the protection of copyright and other rights related to its exercise. In particular, the crimes falling into the aforementioned category are the following:

7 Legislative Decree 195 of 2021 implemented the Directive of the European Parliament and of the Council of 23 October 2018. The main changes made by the aforementioned Legislative Decree include: (i) the extension of the category of predicate offences to the crimes of receiving stolen goods, money laundering, reuse and self-laundering, also to violations, providing new and autonomous regulatory frameworks for these cases; (ii) the extension of the crimes of money laundering and self-laundering to assets deriving from any crime "also of a negligent nature"; and (iii) the introduction of a new hypothesis of aggravated receiving in the event that the act is committed in the exercise of a professional activity.

8 Legislative Decree no. 184 of 8 November 2021, in implementation of Directive (EU) 2019/713 of the European Parliament and of the Council, of 17 April 2019 on combating fraud and counterfeiting of non-cash means of payment, introduced new cases of crime within the Criminal Code and, with specific reference to Legislative Decree 231/2001, made the following changes: (i) the introduction of the new article 25-octies, entitled "Crimes relating to non-cash means of payment" (predicate offences pursuant to articles 493-ter and 493-quater); (ii) the introduction as a predicate offence of computer fraud where aggravated by transfers of money, monetary values or virtual currencies referred to in article 640-ter of the Italian Criminal Code.

- criminal protection of the rights of economic and moral use (article 171(1)(a-*bis)* and (3) of Law n. 633/1941;
- criminal protection of software and databases (article 171 *bis* of Law n. 633/1941);
- criminal protection of audiovisual works (article 171-*ter* of Law n.633/1941);
- criminal liability relating to supports (article 171-*septies* of Law n.633/1941);
- criminal liability relating to conditional access audiovisual broadcasts (article 171-*octies* of Law no. 633/1941).

Environmental crimes (article 25-undecies of the Decree)

Legislative Decree 121 of 2011 introduced, with article 25-undecies, environmental crimes into the so-called "list" of predicate offences provided for by. Subsequently, with Law no. 68 of 2015, new provisions were introduced on the subject of environmental crimes. Law no. 68 of 2015 included in the Criminal Code title VI-bis *of environmental crimes, which now includes 13 articles (from article 452-bis to 452-quaterdecies of the Italian Criminal Code), of which the last, namely article 452-quaterdecies ("Activities organised for the illegal trafficking of waste") was introduced by article 3(1)*(a) of Legislative Decree no. 21 of 2018.
In particular, the so-called "environmental" predicate offences are as follows:

- environmental pollution (article 452-*bis* of the Italian Criminal Code);
- environmental disaster (article 452-*quater* of the Italian Criminal Code);
- negligent crimes against the environment (article 452-*quinquies* of the Italian Criminal Code);
- trafficking and abandonment of highly radioactive material (article 452-*sexies* of the Italian Criminal Code);
- aggravating circumstances of the crimes of articles 452-*bis*, 452-*quater*, 452-*quinquies* and 452-*sexies* of the Italian Criminal Code (article 452-*octies* of the Italian Criminal Code);
- killing, destruction, capture, collection, detention of specimens of protected wild animal or plant species (article 727-*bis* of the Italian Civil Code);
- destruction or deterioration of habitats within a protected site (article 733-*bis* of the Italian Civil Code);
- Import, export, possession and use for profit, purchase, sale, exhibition or possession for sale or commercial purposes of protected species (articles 1, 2, 3-bis and 6 of Law no. 150/1992);
- industrial wastewater discharges containing hazardous substances; discharges into soil, subsoil and groundwater; discharge into seawater by ships or aircraft ("Environmental Code" - Legislative Decree 152/06, article 137);
- unauthorised waste management activities ("Environmental Code" - Legislative Decree 152/06, article 256);
- pollution of soil, subsoil, surface water or groundwater ("Environmental Code" - Legislative Decree 152/06, article 257);

- violation of obligations to communicate, to keep mandatory records and forms ("Environmental Code" - Legislative Decree 152/06, article 258); [9]
- illegal trafficking in waste ("Environmental Code" - Legislative Decree 152/06, article 259);
- organised activities for illegal waste trafficking (article 452-*quaterdecies* of the Italian Criminal Code)[10];
- computer system for monitoring waste traceability ("Environmental Code" - Legislative Decree 152/06, article 260-bis)11;
- import, export, possession and use for profit, purchase, sale, exhibition or possession for sale or commercial purposes of protected species (Law no. 150/1992, articles 1 and 2);
- detention of live specimens of mammals and reptiles that may constitute a hazard to public health and safety (Law 150/92, article 6);
- exceeding air quality limits ("Environmental Code" - Legislative Decree 152/06, article 279(5);
- cessation and reduction of the use of substances harmful to stratospheric ozone (Law 549/93, article 3);
- intentional and negligent pollution caused by ships (Legislative Decree 202/07, articles 8 and 9).

Offences involving the employment of third-country nationals whose residence is irregular (article 25-duodecies of the Decree)

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9 It should be noted that article 260-bis ("Computer system for the control of waste traceability") of Legislative Decree 152/2006, still referred to by Legislative Decree 231/2001 among the predicate offences in environmental matters, is to be considered repealed as a result of the repeal of article 36 of Legislative Decree 205/2010 provided for by article 6(2) of Legislative Decree 135/2018, as amended by the annex to the conversion law no. 12 of 11 February 2019, with effect from 1 January 2019. That article provided that:

"(...) 6. The penalty referred to in Article 483 of the Criminal Code applies to someone who, in the preparation of a waste analysis certificate, used as part of the waste traceability control system, provides false information on the nature, composition and chemical and physical characteristics of waste and to those who include a false certificate in the data to be provided for the purpose of waste traceability.

7. The carrier who fails to accompany the transport of waste with a print copy of the SISTRI - HANDLING AREA sheet and, where necessary on the basis of current legislation, with a copy of the test certificate that identifies the characteristics of the waste is punished with an administrative fine from €1,600.00 to €9,300.00. The penalty set out in article 483 of the Criminal Code applies to the transport of hazardous waste. This latter penalty also applies to someone who, during transport, makes use of a waste analysis certificate containing false information about the nature, composition and chemical and physical characteristics of the waste transported. 8. A carrier who accompanies the transport of waste with a print copy of the SISTRI - HANDLING AREA sheet fraudulently altered is punished with the penalty provided for by the combined provisions of articles 477 and 482 of the Criminal Code. The penalty is increased by up to a third in the case of hazardous waste. 9. If the behaviours referred to in paragraph 7 do not affect the traceability of the waste, the administrative fine from €260.00 to €1,550.00 applies."

10 The case of activities organised for illegal waste trafficking was governed by article 260 of Legislative Decree 152/2006, which was recently repealed by article 7 of Legislative Decree 21/2018 and replaced by article 452-quaterdecies of the Italian Criminal Code, which is also understood to be referred to as a predicate offence by Legislative Decree 231/2001.

11 It should be noted that article 260-bis ("Computer system for the control of waste traceability") of Legislative Decree 152/2006 provides SISTRI as a waste traceability control system, which, as a result of the changes made to article 188-bis(2)(a) of Legislative Decree 152/2006 by article 6(2) of Legislative Decree 135/2018 converted with amendments by Law no. 12 of 11 February 2019, will be replaced by the Italian National Electronic Register for Waste Traceability (RENTRI). For the use of the new RENTRI waste traceability information system, managed by the competent organisational structure of the Ministry of the Environment, now the Ministry of Ecological Transition, with technical support from the Italian National Register of Environmental Managers, implementing decrees are being prepared that will serve to regulate operational, technical and functional aspects, including by updating the registration templates and the forms.

This article, introduced by Legislative Decree No. 109 of 2012 and amended by Law No. 161 of 2017, provides for the administrative liability of the company in relation to the following offences being committed:

- provisions against illegal immigration (article 12(3), (3-*bis)*, (3-*ter*) and (5) of Legislative Decree no. 286/1998);
- employment of third-country nationals whose stay is irregular (article 22(12) and (12-*bis*) of Legislative Decree no. 286/1998).

Crimes of racism and xenophobia (article 25-terdecies of the Decree)

With Law No. 167 of 2017, integrated with Legislative Decree no. 21 of 2018, the list of predicate offences was expanded by the introduction of the new article 25-*terdecies* in the Decree.

This new article provides for the punishability of the entity in relation to the criminal cases referred to in article 604-*bis* such as propaganda, instigation and incitement to hatred or violence for racial, ethnic, national or religious reasons, referred to in Law no. 654/1975, committed in such a way as to cause a concrete danger of dissemination, which are based in whole or in part on denial, on seriously minimising or on the apology of the Shoah or crimes against humanity and war crimes.

Fraud in sports competitions, abusive exercise of gambling or betting and games of chance exercised by means of prohibited devices (article 24-quaterdecies of the Decree)

Law no. 39 of 2019 extended the liability of entities to crimes of fraud in sports competitions and the abusive exercise of gaming and betting activities, referred to in articles 1 and 4 of the Law no. 401 of 13 December 1989. [12]

Tax Offences (article 25- *quinquiesdecies* of the Decree)

Tax offences were included among the predicate offences required by Law no. 157/2019 and subsequently expanded by Legislative Decree 75/2020.

Specifically, these are the following crimes referred to in Legislative Decree no. 74/2000:

- fraudulent statement through the use of invoices or other documents for non-existent transactions (article 2 of Legislative Decree 74/2000);
- fraudulent statement through other devices (article 3 of Legislative Decree 74/2000);
- inaccurate statement (article 4 of Legislative Decree 74/2000) if committed in the context of fraudulent cross-border systems and in order to evade value added tax for a total amount not less than ten million euros;
- omitted statement (article 5 of Legislative Decree 74/2000) if committed in the context of fraudulent cross-border systems and in order to evade value added tax for a total amount not less than ten million euros;

12 The crime of sports fraud (article 1 of Law 401/1989) punishes "*anyone who offers or promises money or other benefit or advantage to any of the participants in a sports competition organised by recognised federations, in order to achieve a result different from that resulting from the correct and fair conduct of the competition, or performs other fraudulent acts aimed at the same purpose" as well as "the participant in the competition who accepts the money or other benefit or advantage, or accepts the promise thereof.*" Article 4 of Law 401/1989, on the other hand, regulates numerous crimes and violations related to the exercise, organisation, sale of gaming and betting activities in violation of administrative authorisations or concessions.

- issue of invoices or other documents for non-existent transactions (article 8 of Legislative Decree 74/2000);
- concealment or destruction of accounting documents (article 10 of Legislative Decree 74/2000);
- undue compensation if committed in the context of fraudulent cross-border systems and in order to evade value added tax for a total amount not less than ten million euros (article 10-quater of Legislative Decree 74/2000);
- fraudulent evasion of payment of taxes (article 11 of Legislative Decree 74/2000).

Crimes of smuggling (article 25-sexiesdecies of the Decree)

- With Legislative Decree no. 75 of 2020, concerning the implementation of the EU directive 2017/1371 (so-called "PIF Directive"), article 25-*sexiesdecies* was included in Legislative Decree 231/01, which provides that the entity may be liable for the crimes of smuggling provided for by Presidential Decree no. 43 of 1973.
- These are the following types of offence: Smuggling in the movement of goods across land borders and customs spaces (article 282 of Presidential Decree no. 43/1973);
- Smuggling in the movement of goods in border lakes (article 283 of Presidential Decree no. 43/1973);
- Smuggling in the maritime movement of goods (article 284 of Presidential Decree no. 43/1973);
- Smuggling in the movement of goods by air (article 285 of Presidential Decree no. 43/1973);
- Smuggling in non-customs areas (article 286 of Presidential Decree no. 43/1973);
- Smuggling for the improper use of goods imported with customs concessions (article 287 of Presidential Decree no. 43/1973);
- Smuggling in customs warehouses (article 288 of Presidential Decree no. 43/1973);
- Smuggling in cabotage and circulation (article 289 of Presidential Decree no. 43/1973);
- Smuggling in the export of goods eligible for refund of duties (article 290 of Presidential Decree no. 43/1973);
- Smuggling in temporary import or export (article 291 of Presidential Decree no. 43/1973);
- Smuggling of foreign manufactured tobacco (article 291-*bis* of Presidential Decree no. 43/1973);
- Aggravating circumstances of the crime of smuggling foreign manufactured tobacco (article 291-*ter* of Presidential Decree no. 43/1973);
- Criminal association aimed at smuggling foreign manufactured tobacco (article 291-quater of Presidential Decree no. 43/1973);
- Other cases of smuggling (article 292 of Presidential Decree no. 43/1973);
- Aggravating circumstances of smuggling (article 295 of Presidential Decree no. 43/1973).

Crimes against cultural heritage (article 25-septiesdecies and 25-duodevieces of the Decree)

Law 22/2022 extended the catalogue of predicate offences by introducing Article 25-*septiesdecies* ("Crimes against cultural heritage") and Article 25-*duoviecies* ("Laundering of cultural assets and devastation and looting of cultural and landscape assets"). In detail, there are the crimes introduced through the new Title VIII-*bis* of the Second Book of the Criminal Code (articles from 518-*bis* to 518-*quaterdecies*), namely:

- theft of cultural property (article 518-bis of the Italian Criminal Code);
- misappropriation of cultural heritage (article 518-ter of the Italian Criminal Code);
- receiving of cultural heritage (article 518-quater of the Italian Criminal Code);
- forgery in private agreements relating to cultural heritage (article 518-octies of the Italian Criminal Code);
- violations in the matter of conveyance of cultural heritage (article 518-novies of the Italian Criminal Code);
- illegal import of cultural heritage (article 518-decies of the Italian Criminal Code);
- illegal exit or export of cultural property (article 518-undecies of the Italian Criminal Code);
- destruction, dispersal, deterioration, disfigurement, smearing and illegal use of cultural or landscape heritage (article 518-duodecies of the Italian Criminal Code);
- art forgery (article 518-quaterdecies of the Italian Criminal Code).

Laundering of cultural heritage and devastation and looting of cultural and landscape heritage (article 25-duodevieces of the Decree)

- laundering of cultural heritage (article 518-sexies of the Italian Criminal Code);
- devastation and looting of cultural and landscape heritage (art. 518-*terdecies* of the Italian Criminal Code).

Transnational crimes (article 10 of Law no. 146/2006)

Article 10 of Law no. 146 of 16 March 2006 provides for the administrative liability of the company also with reference to crimes specified by the same law that are of transnational nature. This category includes the following crimes:

- Provisions against illegal immigration (article 12(3), (3-*bis*), (3-ter) and (5) of the consolidated law referred to in Legislative Decree no. 286 of 25 July 1998);
- criminal association (article 416 of the Italian Criminal Code);
- mafia-type association, including foreign ones (article 416-*bis* of the Italian Criminal Code);
- criminal association aimed at smuggling foreign manufactured tobacco (article 291-*quater* of the consolidated law referred to in Presidential Decree no. 43 of 23 January 1973);
- association aimed at the illegal trafficking of drugs or psychotropic substances (article 74 of the consolidated law referred to in Presidential Decree no. 309 of 9 October 1990);
- inducement not to make statements or to make false statements to the Judicial Authority (article 377-*bis* of the Italian Criminal Code);
- personal aiding and abetting (article 378 of the Italian Criminal Code).

These crimes are transnational when the offense is committed in more than one State, that is, if committed in one State, a substantial part of the preparation and planning of the offense takes place in another State, or even if, committed in a State, an organised criminal group engaged in criminal activities in several States is involved in it[13].

2.2. Exemption from liability: the organisation, management and control model

The Decree (articles 6 and 7) provides that the company is not subject to a penalty if it demonstrates that it has adopted and effectively implemented Organisation, Management and Control Models suitable to prevent the crimes considered from being committed, without prejudice to the personal liability of the person who committed the crime.

If the crime is committed by persons who perform functions of representation, administration or management of the entity or its organisational unit with financial and functional autonomy, as well as by subjects who exercise, even in fact, the management and control thereof, the entity is not liable if it proves that (article 6):

a) the governance body has adopted and effectively implemented, before the commission of the fact, Organisation, Management and Control Model suitable to prevent crimes of the kind that occurred;

b) the task of monitoring the functioning and compliance of the models and of providing for their updating has been entrusted to a body of the entity with autonomous powers of initiative and control (so-called Supervisory Board);

c) the persons committed the act by fraudulently evading the Organisation, Management and Control Model;

d) there was no omission or insufficient supervision by the Supervisory Board referred to in the Model.

In the event that, on the other hand, the crime is committed by persons subject to the direction or supervision of one of the persons indicated above, the legal entity is liable if the commission of the crime has been made possible by non-compliance with management and supervisory obligations. This non-compliance is, in any case, excluded if the entity, before the crime is committed, has adopted and effectively implemented a Model suitable to prevent crimes of the kind that occurred. (article 7(1)

The legislator has given an exemptive value to the company's organisation, management and control models if they are suitable for risk prevention. In this context, it must be considered that the mere adoption of the Model by the governance body - which is to be identified as the body that holds management power - does not seem to be a sufficient measure to determine exemption from liability of the entity, since it is also necessary that the model be effectively implemented.

In article 6(2) of the Decree, the legislator establishes that the Model must meet the following needs:

13 In this case, no additional provisions were included in the body of Legislative Decree 231/2001. Liability derives from an autonomous provision contained in the aforementioned article 10 of Law no. 146/2006, which establishes the specific administrative sanctions applicable to the crimes listed above, providing - as a reminder - in the last paragraph that "*the provisions of Legislative Decree no. 231 of 8 June 2001 apply to the administrative offenses provided for in this article.*" Legislative Decree no. 231/2007 repealed the rules contained in law no. 146/2006 with reference to articles 648-*bis* and 648-*ter* of the Criminal Code (money laundering and use of money, goods or utilities of illegal origin), which have become punishable, for the purposes of Legislative Decree 231/2001, regardless of whether it is of a transnational nature.

a) identify the activities in which the crimes provided for by the Decree may be committed (so-called "**mapping**" of at-risk activities);

b) provide for specific **protocols** aimed at planning the formation and implementation of the entity's decisions in relation to the crimes to be prevented;

c) identify **methods of managing** financial resources suitable to prevent crimes from being committed;

d) provide for **disclosure obligations** for the body responsible for overseeing the functioning and compliance with the models;

e) introduce a **disciplinary system** suitable to punish non-compliance with the measures indicated by the model.

f) provide, in relation to the nature and size of the organisation, as well as the type of activity carried out, appropriate measures to ensure that the activity is carried out in **compliance with the law and to promptly discover and eliminate at-risk situations**.

g)

The company must, therefore, demonstrate that it has not taken part in the facts that chief executive has been charged with by proving the existence of the aforementioned competing requirements and, consequently, the fact that the commission of the crime does not result from its own "organisational fault."

Among the requirements to ensure the effective implementation of organisational models, article 7(4) requires:

a) a **periodic review** and its possible modification when significant violations of the provisions are discovered or when there are changes in the organisation or activity (update of the model);

b) a **disciplinary system** suitable to punish non-compliance with the measures indicated by the model.

Another constitutive element of the Model, as indicated below, is the establishment of a Supervisory Board with the task of overseeing the functioning, effectiveness and compliance of the Model itself, as well as of updating it.

Article 6(2-bis) of the Decree, included with Law no. 179 of 30 November 2017, introduced additional requirements, on the subject of Whistleblowing[14], with which the Models must be provided in order to ensure that entities are exempt from administrative liability pursuant to Legislative Decree 231/2001. In particular, Models must:

a) allow employees, through one or more channels, to submit, by way of protection of the integrity of the entity, detailed reports of illegal conduct, relevant in accordance with the Decree and based on precise and consistent facts, or of violations of the institution's Model, of which they have become aware because of the functions performed;

b) ensure, by computer means, the confidentiality of the whistleblower's identity;

14 Law no. 179/2017 consists of three articles and its main objective is to ensure adequate protection for workers. The provision has amended article 54-*bis* of the Consolidated Law on Public Employment, establishing that the employee who reports to the person responsible for preventing corruption of the entity or to the National Anti-Corruption Authority or to the ordinary judicial or accounting authority the illegal conduct or abuse that s/he has become aware of because of his/her employment relationship, cannot be - for reasons related to the report - subject to penalties, decommissioned, fired, transferred or subjected to other organisational measures that have a negative effect on working conditions.

c) ensure and protect the prohibition of retaliatory or discriminatory acts, whether direct or indirect, against the whistleblower for reasons related, directly or indirectly, to the report;

d) in the disciplinary system, introduce penalties against individuals who violate the measures to protect the reporting person, and against individuals who make reports with wilful misconduct or gross negligence that turn out to be unfounded.

Article 6(2-ter) of the Decree also establishes that the adoption of discriminatory measures against whistleblowers may be reported to the National Labour Inspectorate, for the measures within its competence, as well as by the whistleblower, also by the trade union organisation indicated by him/her.

Finally, in paragraph 2-*quater* of article 6, it is established that the following are void:

- the retaliatory or discriminatory dismissal of the whistleblower;
- the change of duties in accordance with article 2103 of the Civil Code;
- any other retaliatory or discriminatory measures taken against the whistleblower.

It will therefore be the employer's burden, in the event of disputes related to the application vis-à-vis the whistleblower of disciplinary sanctions, or to demotions, dismissals, transfers, or other organisational measures having negative effects, whether direct or indirect, on working conditions, after the filing of the report, to demonstrate that these measures are based on reasons unrelated to the report itself.

2.3. Body of penalties

Articles 9 and 23 of Legislative Decree 231/2001 provide for the entity as a result of the commission or attempted commission of the crimes mentioned above:

- financial penalties (and conservative seizure as a precautionary measure);
- debarring sanctions (also applicable as a precautionary measure) which, in turn, may consist of:
  - temporary or definitive prohibition from exercising the activity;
  - suspension or revocation of authorisations, licenses or concessions functional to the offense committed;
  - prohibition to contract with the public administration, except to obtain public services;
  - exclusion from concessions, loans, grants or subsidies and the possible revocation of those granted;
  - temporary or definitive prohibition to advertise goods or services;
- seizure of the price or profit of the crime (and preventive seizure as a precautionary measure), save for return to the injured party[15];
- publication of the judgement (in case of application of a debarring sanction)[16].

15 Rights purchased from third parties are without prejudice. When it is not possible to carry out seizure, it may involve sums of money, goods or other benefits of value equivalent to the price or profit of the crime.

16 The judgement is published in accordance with article 36 of the Italian Criminal Code and by posting it in the municipality where the entity has its registered office. The publication of the judgement is carried out, by the judge's clerk, at the expense of the entity.

Financial penalties apply whenever the liability of the legal entity is ascertained and are determined by the criminal judge through a system based on 'units'. In measuring the financial penalty, the judge determines:

- the number of units, taking into account the seriousness of the fact, the degree of the entity's liability and the activity carried out to eliminate or mitigate the consequences of the fact and to prevent further offenses from being committed;
- the amount of the individual unit, based on the economic and financial conditions of the entity.

The entity is liable for the obligation to pay the financial penalty with its assets or with the common fund (article 27(1) of the Decree).

The debarring sanctions apply, in addition to financial penalties, to crimes for which they are expressly provided for and provided that at least one of the following conditions is met:

- the company has derived a significant profit from the commission of the crime and the crime was committed by persons in a senior position or by persons under others' management when, in the latter case, the commission of the crime was determined or facilitated by serious organisational deficiencies;
- in the event of repeat offenses.

In any case and without prejudice to the provisions of article 25(5), debarring sanctions have a duration of not less than three months and not more than two years. The judge determines the type and duration of the debarring sanction taking into account the suitability of the individual sanctions to prevent offenses of the type committed and, if necessary, may apply them together (article 14(1) and (3) of Legislative Decree 231/2001).

The debarring sanctions of the exercise of the activity, the prohibition of contracting with the public administration and the prohibition of advertising goods or services can be applied - in the most serious cases - permanently.

The prohibition from exercising the activity applies only when the imposition of other debarring sanctions is inadequate.

Moreover, if the conditions exist for the application of a debarring sanction that would result in the interruption of the entity's activity, the judge may order the continuation of the entity's activity (instead of imposing the debarring sanction), in accordance with and under the conditions set out in article 15 of the Decree, appointing, for this purpose, a commissioner for a period equal to the duration of the debarring sanction[17]. The Commissioner takes care of the adoption and effective implementation of the Organisation, Management and Control Models suitable for preventing crimes such as those that occurred, being able to carry out acts of extraordinary administration only with the prior authorisation of the judge.

Seizure consists in the acquisition of the price or profit of the crime by the State or in the acquisition of sums of money, goods or other benefits of value equivalent to the price or profit of

17 The Judge may order the continuation of the activity when at least one of the following conditions is met:
a) the entity carries out a public service or a service of public necessity whose interruption may cause serious harm to the community;
b) the interruption of the entity's activity may cause, taking into account its size and the economic conditions of the territory in which it is located, significant repercussions on employment.

the crime: However, it does not invest that part of the price or profit of the crime that can be returned to the injured party. Seizure is always ordered with the sentence of conviction.

The **publication of the judgement** may be imposed when a debarring sanction is applied to the entity. It is carried out by posting in the municipality where the Entity has its registered office well as by publishing it on the website of the Ministry of Justice.

2.4. Attempt

Pursuant to article 26 of the Decree, in the event of the commission, in the form of attempt, of offences punished under Legislative Decree 231/2001, financial penalties (in terms of amount) and debarring sanctions (in terms of duration) are reduced from one third to half.

The imposition of penalties is excluded in cases where the entity voluntarily prevents the action or event from being carried out (article 26 of Legislative Decree 231/2001). The exclusion of penalties is justified, in this case, by virtue of the interruption of any identification relationship between entities and persons acting in its name and on its behalf.

2.5. Events modifying the entity

Legislative Decree 231/2001 regulates the administrative liability of the entity also in relation to the events modifying it such as the transformation, merger, demerger or sale of a business unit. According to article 27(1) of Legislative Decree 231/2001, the entity with its assets or with the equity is responsible for the obligation to pay the financial penalty, where the notion of assets must refer to companies and entities with legal personality, while the notion of "common fund" concerns associations that are not recognised.

Articles 28-33 of Legislative Decree 231/2001 regulate the impact on the entity's administrative liability of the modifying events related to the transformation, merger, demerger or sale of a company. The Legislator has taken into account two opposing needs:

- on the one hand, to prevent such operations from constituting a means to easily evade the entity's administrative liability;
- on the other hand, not to penalise reorganisation interventions devoid of elusive intent.

The Explanatory Report to Legislative Decree 231/2001 states that "*The basic criterion in this regard was to regulate the fate of financial penalties in accordance with the principles dictated by the Civil Code regarding all of the other debts of the original entity, maintaining, conversely, the connection of debarring sanctions with the branch of business in which the crime was committed*."

In particular, in the case of merger, the entity that results from the merger (also by incorporation) is liable for the crimes for which the entities participating in the merger were liable (article 29 of Legislative Decree 231/2001).

Article 31 of the Decree sets out provisions common to the merger and the demerger, concerning the determination of sanctions in the event that these extraordinary transactions have occurred before the conclusion of the judgment. In particular, the principle by which the judge must measure the financial penalty, according to the criteria set out in article 11(2) of the Decree, is clarified, referring in any case to the economic and financial conditions of the entity originally liable, and not to those of the entity to which the sanction should be applied following the merger or demerger.

In the event of a debarring sanction, the entity that will be liable following the merger or demerger may ask the judge to convert the debarring sanction into a financial penalty, provided that: (i) the organisational fault that made it possible to commit the crime has been eliminated, and (ii) the

entity has compensated for the damage and made available (for seizure) the part of the profit that may have been obtained.

Article 32 of Legislative Decree 231/2001 allows the judge to take into account the sentences already imposed against the entities participating in the merger or on the demerged entity in order to give rise to repetition, in accordance with article 20 of Legislative Decree 231/2001, in relation to the offenses of the entity resulting from the merger or beneficiary of the demerger, relating to crimes subsequently committed.

For the cases of the sale and transfer of a company, a unitary discipline is provided for (article 33 of Legislative Decree 231/2001); the transferee, in the event of the sale of the company in whose business the crime was committed, is jointly and severally obliged to pay the financial penalty applied against the transferor, with the following restrictions:

- this is without prejudice to the benefit of excussion vis-à-vis the transferor;
- the transferee's liability is limited to the value of the transferred company and to the financial penalties that result from the mandatory accounting books or due for administrative offenses, which it was, in any case, aware of.

On the contrary, the debarring sanctions imposed on the transferor do not extend to the transferee.

2.6. Offences committed abroad

The entity may be called to answer in Italy for crimes - contemplated by said Legislative Decree 231/2001 - committed abroad (article 4 of Legislative Decree 231/2001).

The assumptions on which the entity's liability for crimes committed abroad is based are:

- the crime must be committed by a person who performs the functions of representation, administration or management of the entity or its Management/Function with financial and functional autonomy as well as by a person who exercises, even in fact, the management and control thereof, pursuant to article 5(1) of Legislative Decree 231/01;
- the entity must have its registered office in the territory of the Italian State;
- the entity can respond only in the cases and under the conditions provided for by articles 7, 8, 9, 10 of the Italian Civil Code (in cases where the law requires that the offender - a natural person - is punished at the request of the Minister of Justice, only if the request is also made against the entity itself and, also in accordance with the principle of legality set out in article 2 of Legislative Decree 231/2001, only in the face of crimes for which its liability is provided for by an ad-hoc legislative provision);
- If the cases and conditions set out in the aforementioned articles of the Criminal Code exist, the State of the place where the act was committed does not proceed against the entity.

2.7. Procedure for the ascertainment of an offence

Liability for an administrative offense deriving from a crime is ascertained in the context of a criminal proceeding. In this regard, article 36 of Legislative Decree 231/2001 provides that "*the competence to know the administrative offenses of the entity lies with the criminal judge competent for the crimes on which they depend*. *For the procedure for ascertaining the entity's administrative offence, the provisions on the composition of the court and the related procedural provisions relating to the crimes on which the administrative offence depends are followed."*

Another provision, inspired by reasons of effectiveness, homogeneity and procedural economy, is that of the mandatory joinder of procedures: the trial against the entity must remain joined, as far

as possible, with the criminal trial commenced against the natural person who committed the predicate offence involving the entity's liability (article 38 of Legislative Decree 231/2001). This rule is reaffirmed by the provisions of article 38(2) of Legislative Decree 231/2001, which, vice versa, regulates the cases in which a proceeding for an administrative offense is carried out separately. The entity participates in criminal proceedings with its legal representative, unless the latter is accused of the crime on which the administrative offense depends; when the legal representative does not appear, the entity that has appeared in court is represented by the legal counsel (article 39(1) and (4) of Legislative Decree 231/2001).

2.8. Examination of Suitability

The assessment of the company's liability, attributed to the criminal court, takes place through:

- the examination of the existence of the predicate offence(s);
- the examination of suitability on the adopted Model, that is, the abstract suitability to prevent the crimes referred to in Legislative Decree 231/2001 according to the criterion of so-called "posthumous prognosis". The suitability judgment must be formulated according to an essentially *ex ante* criterion, so that the judge is ideally placed in the business reality when the offence occurred to test the consistency of the adopted Model. In other words, the Organizational Model must be considered "suitable to prevent crimes", which, before the commission of the crime, could and should be considered such as to eliminate or, at least, minimise, with reasonable certainty, the risk of the commission of the crime that subsequently occurred.

3. Description of the company reality

Nolostand was established as a public limited company in 2002 and is currently subject to management and coordination, as referred to in articles 2497 and 2497-*bis* of the Italian Civil Code, by the parent company Fiera Milano S.p.A. (hereinafter also referred to as "**Parent Company**" or "**Fiera Milano**"), in accordance with the provisions of current Italian legislation.

The Fiera Milano Group, of which Nolostand is part, oversees all phases of the fair/congress sector and is the largest operator in Italy and one of the largest integrated operators in Europe and the world. In particular, the Fiera Milano Group operates in the following sectors:

- organisation of, and hospitality for, exhibitions and other events in Italy through the use, promotion and offer of furnished exhibition spaces, project support, and ancillary services;
- organisation of exhibitions and other events abroad through the use, promotion and offer of furnished exhibition spaces, project support, and ancillary services;
- stand-fitting, technical and site services associated with exhibition and congress business;
- management of conferences and events;
- production of content and provision of online and offline editorial services (publishing and digital services), as well as for the areas of organising events and conferences (events and training).

3.1. Company Purpose

With regard, specifically, to stand-fitting services, these activities are carried out by the company Nolostand, whose **company purpose** is:

(i) the sale, rental, assembly, disassembly, storage and maintenance of stands and fittings for interior and exterior architecture, in particular with regard to trade fairs;

(ii) the sale, rental and installation of electrical, lighting, audio-video, access control and signage control systems and of computer equipment;
(iii) the acquisition of public and/or private contracts to carry out the activity of general contractor for the construction of works in the context of exhibition sites and/or events.

Nolostand is a leader in the engineering and construction of stand systems for exhibitions of any type and product sector. The Company, specialised in large unified set-ups for trade fairs and related global services, has extended its core business to include customised set-ups and events, which it covers from the concept to implementation. In particular, the services offered by the Company include:

- design: implementation and technical support services (organisations, public bodies, designers, communication agencies, etc.);
- technologies: design and rental of lighting systems for indoor and outdoor use and the most advanced technologies in the audio-video field;
- furnishings: designed specifically for exhibition needs;
- suspended structures and hangings: effectiveness and speed of intervention in the provision of suspended structures and hangings for stand-fitters and exhibitors;
- signage: graphics systems applied to the needs of reporting events, through general, external and internal indicative elements, portals, totems, etc.;
- external structures: modular outdoor pavilions that can be customised according to individual spatial and functional needs.

3.2. Governance Model

The Company has a traditional **administration and control model** in which the Company's *governance* is characterised by the presence of:

- of a **Board of Directors** or a **Sole Director** (Administrative Body) in charge of managing the company. The Articles of Association provide that the Company is managed by a Board of Directors composed of no less than three and no more than five members, including the Chairperson; The Shareholders' Meeting determines the number, at the time of appointment, within the above-mentioned limits and the term, which in any case cannot exceed three financial years. Directors are eligible for re-election.

- of a **Board of Statutory Auditors** called to oversee: compliance with the law and the articles of association, as well as with the principles of proper administration in the conduct of company activities; the adequacy of the Company's organisational structure, internal control system and administrative-accounting system; the financial reporting process and the effectiveness of internal control, internal auditing and risk management systems; the statutory audit of annual accounts and consolidated accounts, as well as on the independence of the auditing firm, in particular with regard to the provision of non-auditing services to the entity subject to statutory auditing;

- of the **Shareholders' Meeting**, which is competent for resolving, inter alia, in ordinary or extraordinary session, on the following matters: the appointment and dismissal of the members of the Board of Directors or of the Sole Director and of the Board of Statutory Auditors and the related compensation and responsibilities; the approval of the financial statements and the allocation of profits; the purchase and sale of treasury shares; amendments to the articles of association; the issue of convertible bonds;

- by **Independent Auditors** that is responsible for the statutory auditing of accounts. By law, the independent auditors are registered in the specific register established at the Ministry of Economy and Finance and appointment lies with Shareholders' Assembly, on a reasoned proposal from the Board of Statutory Auditors. In carrying out its activities, the tasked independent auditors have access to information, data, both documentary and computer, the archives and assets of the Company. The Independent Auditors:

- verify, during the financial year, that company accounts are kept regularly and management facts are duly recorded in the accounting books;
- verify if the financial statements correspond to the results of the accounting records and the assessments carried out and if the financial statements comply with current regulations;
- express, in a specific report, an opinion on the Company's financial statements.

The Company, in line with the directives of the parent company (Fiera Milano S.p.A.), has adopted an internal control and risk management system consisting of a set of rules, procedures and organisational structures aimed at allowing, through an adequate process of identification, measurement, management and monitoring of the main risks, sound and correct management of the company consistent with the set objectives.

The organisational structure of the Company is reflected in the company's organisation chart as well as in the set of other business organisational tools (e.g., Service Orders, Manuals, Policies, Procedures) that contribute to forming the so-called “regulatory body” of the Company, in which the tasks, areas and responsibilities of the various functions into which the Company is divided are defined.

The Company, by resolution of the shareholders' meeting, has adopted the Management and Coordination Guidelines by the parent company. As part of the exercise of this management and coordination activity by Fiera Milano S.p.A., there is the possibility for the parent company to manage specific functions at centralised level and in the interest of the entire Group for the subsidiaries in a Shared Service Agreement logic.

The services covered by the aforementioned Shared Service Agreements may involve sensitive activities referred to in the subsequent Special Parts of this Model 231 and must therefore be governed by a written contract.

As an additional staff body for the Managing Directors, there is a “Safety Coordination” function managed by a specific third-party company duly contracted that is tasked with maintaining Nolostand's Quality, Environment and Safety management systems.

The Company, as the beneficiary of the services, is responsible for the truthfulness, completeness and adequacy of the documentation or information communicated to Fiera Milano S.p.A. for the purpose of performing the requested services.

The competent functions of Fiera Milano S.p.A. or the third parties appointed by the latter, who provide services to the Company, are required to comply with the rules of conduct set out in the Model 231 of the company to which they belong and with the provisions of this Model prepared by the Company on behalf of which the services covered by intercompany service agreements are provided. The Shared Service Agreements contract contains a specific 231 clause, according to which Fiera Milano S.p.A. undertakes to comply with the provisions contained in the Nolostand Model and to refrain from behaviour that may constitute an offence referred to in Legislative Decree 231/2001, under penalty of termination of the contract.

4. Nolostand's Organisation, Management and Control Model

In line with the ethical and governance principles on which it has based its rules of conduct, the Company has adopted this Model, which is divided into:

- **General Section**, containing the regulatory framework of reference, the cases of predicate offence relevant to the administrative liability of entities in view of the types and characteristics of their activities; the company reality; the structure of Nolostand's Organisation, Management and Control Model; its purposes; the recipients of the Model; the operating procedures for its update; at-risk activities; the composition and functioning of the Supervisory Board and the training and information activities and the penalty system;

- **Special Sections**, on categories of predicate crimes contemplated by Legislative Decree 231/01, indicating the sensitive processes/company activities which are significant as they could potentially cause the crimes to be committed, and the relative control protocols and guidelines for proper conduct.

The Model adopted by Nolostand is based on an integrated set of methodologies and tools, consisting mainly of the following:

- **Code of Ethics**, also brought to the attention of the external parties over which the Company exercises power of direction or supervision and of those who have stable business relationships with the Company, as well as, more generally, of those who are interested in it, attached to this Model in Annex A;
- Overall **organisational system** (organisation chart), which allows the company structure to be clearly identified;
- **Proxy and delegation system:** which assigns the powers for the management of the relevant activities to the managers of the Departments/Functions concerned;
- **Policies, Guidelines and Internal Procedures** that regulate operational activities, the definition of levels of control and authorisation procedures;
- **Reporting system**, to ensure that anyone who identifies situations of possible violation of the prescribed rules can inform the competent structures without danger of retaliation (see paragraphs 4.7 and 5.3 below);
- **Disciplinary system,** understood as the system that regulates the conduct related to possible cases of violation of the Model, the abstractly applicable penalties, the imposition procedure and the penalty system relating, instead, to the possible application of penalties against third parties who are not employees of the Company (see paragraph 7 below).

4.1 Purpose of the Model

This Model aims to illustrate the system of operating and behavioural rules that govern the Company's activities, as well as control elements that the Company has adopted to prevent the various types of offences contemplated by the Decree from being committed.

In addition, this document aims to:

- raise the awareness of persons who collaborate, for various reasons, with the Company (employees, external collaborators, suppliers, etc.), requiring them, within the limits of the activities carried out in the interest of Nolostand, to adopt correct and transparent behaviour, in line with the ethical values that it is inspired by in the pursuit of its corporate purpose and such as to prevent the risk of commission of the offences contemplated in the Decree;
- determine, in all those who work in the name and on behalf of the Company in “areas at risk of crime” and in the “areas instrumental to the commission of crimes,” the awareness of being able to incur, in the event of a violation of the provisions contained therein, an offence punishable by criminal and disciplinary penalties against the offender and an administrative penalty against the company;
- reiterate that these forms of illegal behaviour are strongly condemned by the Company, as (even if the Company were apparently in a position to take advantage of them) they are in any case contrary not only to the provisions of the law, but also to the ethical principles that the Company intends to comply with in carrying out its company mission;
- establish and/or strengthen controls that allow Nolostand to prevent or to react promptly to prevent offenses from being committed by senior management and persons subject to the

Management or Supervision of the former that entail the administrative liability of the Company;

- allow the Company, thanks to monitoring of areas of activity at risk, to intervene promptly, in order to prevent or combat the offences from being committed and to punish behaviour contrary to its Model 231;
- ensure their integrity, by adopting the obligations expressly provided for by article 6 of the Decree;
- improve effectiveness and transparency in the management of company activities;
- achieve full awareness in the potential offender that committing a possible offence is strongly condemned and contrary - in addition to the provisions of the law - both to the ethical principles which the Company intends to comply with and to the Company's own interests also when it seems it could benefit from them.

4.2 Recipients of the Model

The Board of Directors has adopted the Model, whose scope of application includes all activities potentially at risk of crime pursuant to Legislative Decree 231/01 carried out by the Company and whose recipients are:

1. members of the corporate bodies, those who perform, even in fact, functions of management, administration, direction or control of the Company, or its Management/Function with financial and functional autonomy;

2. the Company's managers and employees and in general those who operate under the direction and/or supervision of the people referred to in item 1;

3. third parties that have contractually regulated collaboration relationships with the Company (e.g., consultants, partners and other professionals).

The Model and the Code of Ethics also apply, within the limits of the existing relationship, to those who, although they do not belong to the Company, work on behalf of the Company or are in any case linked to the Company by legal relationships relevant to the prevention of crimes.

4.3 Operating procedures followed for the construction and updating of the Model

The methodology chosen for the preparation of the Model and for its updates follows the phased structure as set out by the Confindustria Guidelines, in order to ensure the quality and authoritativeness of the results.

The methodological phases identified when drafting and updating the Model are as follows:

- **Identification of at-risk processes and activities (*Risk Assessment*),** within which the crimes referred to by Legislative Decree 231/2001 may be committed, and of activities instrumental to the commission of crimes, that is, activities in which, in principle, conditions could be created for the crimes to be committed; preliminary step for this phase was the analysis, mainly through documents, of the company's corporate and organisational structure, in order to better understand the activity carried out and to identify the company areas covered by the intervention.
- **Identification of key persons**, in order to identify people with in-depth knowledge of sensitive processes/activities and control mechanisms: In this phase, through individual interviews with people at the highest organisational level, the information necessary to

understand the roles and responsibilities of the persons participating in sensitive processes has been collected.

- ***Gap analysis and Action Plan*** aimed at identifying both the organisational requirements that characterise an organisational model suitable to prevent the crimes referred to by Legislative Decree 231/2001, and the actions to improve the existing Model: A comparative analysis (the so-called gap analysis) was thus carried out between the existing organisational and control model and an abstract reference model evaluated on the basis of the content of the Decree and the Guidelines.
- **Design and update of the Model**: this phase was supported both by the results of the previous phases and by the guidance choices of the Company's decision-making bodies.

In general, the activity of updating the Model is needed in order to:

- align the Model with the Company's organisational structure following the changes that have occurred, also considering the evolution of the system of company rules and procedures;
- integrate the Model in the light of the types of crimes introduced under Legislative Decree 231/2001 after the adoption or previous update of the Model, evaluating both the applicability of the new types of crime to the Company's reality and the suitability of the control system in place to monitor the risk of committing related crimes;
- evaluate the impacts on the Model of the evolution of jurisprudence and of case law and of the reference guidelines, identifying appropriate updates and/or additions to the Model;
- supplement the Model based on the results of the verification activities carried out on the Model and incorporate improvements in terms of system and control protocols highlighted by them.

4.4 Relationship between Model 231 and Code of Ethics

The Parent Company has adopted a Group Code of Ethics, also approved by Nolostand, an expression of a context where the primary objectives are to maintain ethically correct behaviour in daily activities and to comply with all laws in force.

The Code of Ethics aims, among other things, to promote and foster a high standard of professionalism and to avoid behaviours that do not align with the interests of the company or deviate from the law and that are contrary to the values that the Company intends to uphold and foster.

The Code of Ethics is addressed to the members of the corporate bodies, to the employees of the Company and to all those who, permanently or temporarily, interact with it.

The Code of Ethics must therefore be considered as the essential and integral foundation of Model 231, as, taken together, they constitute a systematic body of internal rules aimed at spreading a company culture of ethics and transparency and is an essential part of the control system; the rules of conduct contained in them are integrated, although the two documents respond to a different purpose:

- the Code of Ethics and its amendments represent an instrument adopted independently and are subject to application on a general level by the Company in order to express the principles of "company ethics" recognised as its own and which it requires everyone to comply with;
- the Model 231, on the other hand, meets specific requirements set out in the Decree, aimed at preventing that particular types of offences are committed (for acts that, apparently committed for the benefit of the company, may entail administrative liability based on the Decree's provisions).

4.5 Identifying at-risk activities

Due to the type of activities carried out by the Company, in defining the Model, it was decided to pay particular attention to identifying potential areas at risk of the commission of the offences provided for by articles 24, 24-*bis*, 24-*ter*, 25, 25-*bis*, 25-*bis*.1, 25-*ter*, 25-*quater*, 25–*quater*.1, 25-*quinquies* (limited to the crime of illegal intermediation and labour exploitation, referred to in article 603-*bis* of the Italian Criminal Code), 25-*sexies*, 25 *septies*, 25-*octies*, 25-*octies.1, 25-novies, 25-*decies*, 25*-*undecies, 25-duodecies, and 25-quinquiesdecies, 25-septiesdecies and 25-duodevieces of the Decree, as well as the transnational crimes provided for by article 10 of Law 146/06.

With regard to the offences referred to in articles 25-*quater*, 25-*quater*.1, 25-*quinquies* and 25-*terdecies*, 25-*quaterdecies*, 25-sexiesdecies*, 25-septiesdecies* and 25-*duodevieces*, it was deemed that the specific activity carried out by the Company does not involves risks such as to make the possibility reasonably founded of their being committed in the interest or for the benefit of the Company.

Therefore, the reference to the principles set out both in this Model and in the Code of Ethics adopted by the Company attached as an Annex was considered exhaustive, as company representatives, collaborators and partners are under an obligation to respect the values of solidarity, protection of the individual, fairness, morality and respect for laws.

The analysis of the company activity made it possible to identify specific risk areas for each type of offence identified above. For a list and detailed discussion of these, please refer to the Special Sections of this Model.

4.5. Definition of control protocols

The identification of risk areas had the objective of detecting the activities carried out by the Company for which it is necessary to identify general and specific control protocols.

The protocols were developed with the aim of establishing and/or explaining the rules of conduct and operating methods which the Company must abide by, with reference to the performance of activities defined as “at risk.”

Each control protocol indicates the operational area of reference, the Departments/Functions concerned, the guiding principles that must inspire the prevention activity and the prevention activities designed to reasonably counter the specific possibilities of crime.

4.6. Adoption of and modifications and additions to the Model

Since the Model is an “*act issued by the governance body*” (in accordance with the requirements of article 6(1)(a) of Legislative Decree 231/2001), subsequent substantial amendments and additions are referred to the competence of the Company's Board of Directors. For this purpose, those changes and additions that become necessary as a result of the evolution of the relevant legislation or that involve a change in the rules and principles of conduct contained in the Code of Ethics, in the powers and duties of the Supervisory Board and in the defined penalty system, are to be understood as substantial.

Changes, updates or additions to the Model must always be communicated to the Supervisory Board. The latter, moreover, where appropriate, invites and urges the Company to adapt the Model to the regulatory and/or organisational changes that have occurred.

The operating procedures adopted in implementation of this Model are modified by the competent company Departments/Functions, if their effectiveness proves to be improved for the purpose of a more correct implementation of the provisions of the Model. The competent company

Departments/Functions also provide for the changes or additions to the operating procedures necessary to implement any revisions to this Model.

4.7. Whistleblowing

As mentioned in item 2.2, pursuant to article 6(*2-bis*) of the Decree, the recipients of this Model 231 are provided with reporting channels, in addition to the e-mail of the Supervisory Board (see paragraph 5.3 “Information flows and reports to the Supervisory Board”) in order to report illegal conduct, based on precise and consistent facts. In particular, all employees and members of the Company's corporate bodies report the commission or the alleged commission of crimes referred to in the Decree, as well as any violation or alleged violation of the Code of Ethics, the Model or the procedures established in its implementation.

The Suppliers and collaborators of the Company, as part of the activity carried out for the Company, report the violations referred to in the previous paragraph on the basis of the clauses indicated in the contracts that bind these subjects to the Company.

The reports will be managed in line with the provisions of the respective internal organisational provisions adopted by the Company on whistleblowing.

In particular, the following transmission channels are established:

- 'My Whistleblowing' channel: https://www.fieramilano.it/invia-una-segnalazione.html -, by filling out a specific web form
- Mail, Security Director, Fiera Milano S.p.A., SS del Sempione 28, 20017 Rho (MI).

The Company ensures, regardless of the channels used, the confidentiality of the identity of the whistleblower in the management of the report. The reports are kept by the Supervisory Board and the Whistleblowing Committee.

The correct fulfilment of the obligation to provide information cannot result in the application of disciplinary measures: those who make a report in good faith are guaranteed against any form of retaliation, discrimination or penalty and in any case the confidentiality of the identity of the whistleblower is guaranteed, without prejudice to legal obligations and the protection of the rights of the Company or of people wrongly accused and/or accused in bad faith. It should also be noted that, pursuant to article 6(2-*bis*)(d) of Legislative Decree 231/01, in addition to the provisions of the chapter “Disciplinary System”, additional penalties are provided “*against those who violate the measures to protect the whistleblower, as well as those who make reports that prove to be groundless with intent or gross negligence.*”

5. Supervisory Board

Based on the provisions of the Decree, the entity may be exempted from liability resulting from the commission of crimes by senior management or persons subject to their supervision and management, if the governance body has:

- adopted and effectively implemented organisation, management and control models suitable to prevent the crimes under consideration;
- entrusted the task of monitoring the functioning and compliance of the model and of updating it with a body of the entity with autonomous powers of initiative and control.

The assignment of these tasks to a body with autonomous powers of initiative and control, together with their correct and effective performance, is, therefore, an indispensable prerequisite for exemption from liability provided for by the Decree.

The Decree does not provide information about the composition of the Supervisory Board. In the absence of these indications, the Company has opted for a solution that, taking into account the purposes pursued by the regulation, is able to ensure, in relation to its size and organisational complexity, the effectiveness of the controls and activities for which the Supervisory Board is responsible.

In compliance with the provisions of the Decree and following the instructions of Confindustria, the Company has identified its Supervisory Board (hereinafter also referred to as "**SB**") in a collegial body mostly composed of members from outside the organisation.

The position recognised by the Supervisory Board in the context of the company's organisation is such as to guarantee the autonomy of the control initiative from any form of interference and/or conditioning by any member of the organisation, thanks also to direct reporting to the Board of Directors. The members of the Supervisory Board are not subject, in this capacity and as part of the performance of their function, to the hierarchical and disciplinary power of any other corporate body or function.

5.1 Composition and operation

The Company's Supervisory Board was established with the approval of the Administrative Body.

The appointment as member of the Supervisory Board is conditional on the presence of subjective eligibility requirements.

The Supervisory Board stays in office for the term indicated in the appointment document and may be renewed.

Termination of office of the Supervisory Board may occur for one of the following reasons:

- expiry of the assignment;
- revocation of the Board by the Board of Directors;
- renunciation of a member, formalised in a specific written communication sent to the Board of Directors;
- the occurrence of one of the causes of forfeiture listed below.

Revocation is ordered by resolution of the Board of Directors, after the binding opinion of the Company's Board of Statutory Auditors.

If the Supervisory Board lapses or resigns, the Board of Directors appoints the new Supervisory Board without delay, while the outgoing Supervisory Board remains in office until it is replaced.

In the event of the revocation or resignation of a member of the Supervisory Board, the Board of Directors appoints the new member of the Supervisory Board without delay, while the outgoing member remains in office until s/he is replaced.

In particular, the following are causes of ineligibility or of forfeiture from the position of member of the Supervisory Board:

a) title, directly or indirectly, of a shareholding of the entity such as to allow it to exercise significant influence over the Company;
b) having carried out administrative functions - in the three years prior to the appointment as a member of the Supervisory Board or to the establishment of a consultancy/collaboration relationship with the said Board - of companies subject to bankruptcy, compulsory administrative liquidation or other insolvency proceedings, except in the case in which the Company attests, on the basis of adequate elements and according to a criterion of

reasonableness and proportionality, that the person concerned was not involved in the facts that determined the company's crisis;

c) final sentence or sentence to apply a sentence on request (so-called plea deal), in Italy or abroad, for the intentional crimes referred to in Legislative Decree 231/2001;
d) the termination of the position or duties held by the member of the Supervisory Board within the Company;
e) lack of autonomy and independence, that is, the presence of kinship, marriage or affinity relationships within the fourth degree with the members of the Company's Board of Directors or Board of Statutory Auditors as well as with the same members of the Group Companies; as well as the existence of an ongoing consultancy or paid work relationship with the Company
f) lack of professionalism.

Upon acceptance of the appointment, each member issues a declaration attesting to the absence of the causes of ineligibility referred to in letters a), b), c), and e).

In the execution of the tasks assigned to it, the Supervisory Board may avail itself - under its direct supervision and responsibility - of the collaboration of all the functions and structures of the Company or of external consultants, using their respective skills and professionalism. This faculty allows the Supervisory Board to ensure a high level of professionalism and the necessary continuity of action.

The Supervisory Board has at its disposal an endowment of financial resources, approved by the Administrative Body as part of the company's annual budget, which it can independently dispose of for any need necessary for the proper execution of its functions.

Each member of the Supervisory Board is remunerated for the function performed through compensation approved by the Board of Directors.

5.2 Functions and powers of the Supervisory Board

The activities carried out by the Supervisory Board cannot be disputed by any other body or function of the Company, it being understood, however, that the Board of Directors is in any case called upon to oversee the adequacy of its work, as it is the Board of Directors, which has the ultimate responsibility for the functioning and effectiveness of the Model.

The Supervisory Board is conferred the powers of initiative and control necessary to ensure effective and efficient supervision over the operation of and compliance with the Model in accordance with the provisions of article 6 of the Decree.

In particular, the Supervisory Board is entrusted, for the performance and exercise of its functions, with the following tasks and powers:

- ✓ monitoring the functioning of the Model both with respect to the reduction of the risk of committing the crimes referred to by the Decree and with reference to the ability to detect any illegal behaviour;
- ✓ monitoring the existence and persistence over time of the requirements for the efficiency and effectiveness of the Model, also in terms of the correspondence between the operating methods adopted in concrete terms by the recipients of the Model and the procedures formally envisaged or recalled by it;
- ✓ providing for, developing and pursuing the constant updating of the Model, formulating, where necessary, proposals to the governance body for any updates and adjustments to be made through the changes and/or additions that may become necessary as a result of: i) significant violations of the Model’s provisions; ii) significant changes in the internal structure

of the Company and/or in the methods of carrying out company activities; iii) regulatory changes;

- ✓ ensuring the periodic updating of the system for the identification, mapping and classification of at-risk activities;
- ✓ detecting any behavioural deviations that may emerge from the analysis of information flows and from the reports required from the managers of the various functions;
- ✓ also in compliance with the internal organisational provisions adopted by the Company regarding *whistleblowing, promptly reporting any established violations of the Model that may result in the onset of liability on the part of the Company to the governance body* for appropriate measures;
- ✓ liaising with and ensuring information flows within the remit of the Board of Directors, as well as to the Board of Statutory Auditors;
- ✓ regulating its functioning through the adoption of a regulation of its activities that provides for: the scheduling of activities, the determination of the time frames for controls, the identification of criteria and analysis procedures, the recording of meetings, and the regulation of information flows from company structures;
- ✓ providing for specific controls, even by surprise, on at-risk company activities;
- ✓ promoting and defining initiatives for the dissemination of knowledge and understanding of the Model, as well as for the training of staff and their awareness of compliance with the principles set out in the Model, with particular attention to those who work in the areas at greatest risk;
- ✓ promoting communication and training initiatives on the contents of the Decree, on the impacts of the legislation on the company's activity and on behavioural norms, also by differentiating the training programme and paying particular attention to employees who work in the areas at greatest risk;
- ✓ verifying that participation in training courses is ensured, also by establishing attendance controls;
- ✓ verifying that all employees are aware of the conduct that must be reported in accordance with the Model, making them aware of how to make reports;
- ✓ providing clarifications regarding the meaning and application of the provisions set out in the Model;
- ✓ setting up an effective internal communication system to allow the transmission of news relevant to the purposes of the Decree;
- ✓ preparing, as part of the overall company budget, an annual budget to be submitted for approval by the Board of Directors in order to have the means and resources available to carry out its tasks in full autonomy, without restrictions that may derive from insufficient financial resources at its disposal;
- ✓ freely accessing any department or unit of the Company - without the need for any prior consent in compliance with current legislation - to request and acquire information, documentation and data, considered necessary for the performance of the tasks provided for by the Decree from all employees and managers;
- ✓ requesting relevant information from collaborators, consultants, agents and representatives outside the Company;
- ✓ promoting the initiation of any disciplinary proceedings.

5.3 Information flows and reports to the Supervisory Board

The Supervisory Board is the recipient of any information, documentation and/or communications, also from third parties related to compliance with the Model.

All Recipients of this Model are required to provide information to the Supervisory Board, to be carried out as a result of:

i) reports;

ii) information.

The Supervisory Board ensures the **utmost confidentiality** with regard to any news, information, or reports, under **penalty of revocation of the mandate and the disciplinary measures defined below,** without prejudice to the requirements inherent in carrying out investigations in the event that the support of external consultants to the Supervisory Board or other company structures is necessary.

All information and reports referred to in this Model are kept by the Supervisory Board, in accordance with the provisions on the protection of personal data.

In order to allow the Supervisory Board to monitor the effective functioning and compliance with the Model and to update it, it is necessary to define and implement a constant exchange of information between the Recipients of the Model and the Supervisory Board concerning the relevant news and any critical issues identified by the Recipients of the Model, as well as exceptions and the commission or alleged commission of crimes referred to in the Decree or the violation of the Code of Ethics, the Model or the Procedures.

In addition, if they find areas of improvement in the definition and/or application of the prevention protocols defined in this Model, the Recipients of the Model draft and promptly transmit to the Supervisory Board written notes (so-called Information Flows) with the following content:

- ✓ a description of the state of implementation of the protocols for the prevention of activities at risk within its remit;
- ✓ a description of the verification activities carried out with regard to the implementation of prevention protocols and/or of the actions taken to improve their effectiveness;
- ✓ the reasoned indication of the possible need for changes to prevention protocols;
- ✓ any additional contents that may be expressly requested, from time to time, by the Supervisory Board

In order to allow for timely compliance with the provisions referred to in this paragraph, the e-mail organismodivigilanza@nolostand.it is set up.

5.4 Information from the Supervisory Board to corporate bodies

In order to ensure its full autonomy and independence in the performance of its functions, the Supervisory Board reports directly to the Board of Directors on the correct implementation of the Model and on any critical issues.

The Supervisory Board promptly informs the Board of Directors and the Board of Statutory Auditors of any extraordinary situations that should arise (e.g.: significant violations of the principles set out

in the Model, legislative innovations in the area of administrative liability of entities, the need to promptly update the Model, etc.).

In addition, the Supervisory Board prepares:

i) a biannual information report on the activity carried out to be submitted to the Board of Directors and the Board of Statutory Auditors;

ii) an annual report summarising the activities carried out including a plan of activities for the following year, to be submitted to the Board of Directors and the Board of Statutory Auditors.

The Supervisory Board may carry out, in the context of at-risk company activities and if it deems it necessary for the performance of its functions, checks that are not provided for in the activity plan (so-called “surprise checks”).

The Board may request to be heard by the Board of Directors whenever it deems it appropriate to speak with said body; likewise, the Supervisory Board may request clarification and information from the Board of Directors.

On the other hand, the Supervisory Board may be convened at any time by the Board of Directors to report on particular events or situations related to the operation and compliance with the Model.

The meetings with the corporate bodies to which the Supervisory Board reports are documented and the related documentation archived.

5.5 Information from the Supervisory Board to the parent company

While respecting the functional autonomy of the company Nolostand, which independently performs its duties, the Board of Directors of Fiera Milano S.p.A. may ask it for information in relation to the adoption, implementation and updating, the performance of supervisory and training activities and any other information considered useful or necessary for the correct application of the Model and the provisions of the Decree.

The Supervisory Board of Nolostand sends the Supervisory Board of Fiera Milano S.p.A. a copy of the periodic final reports on the activity carried out addressed to the corporate bodies of the Company.

The Company's Supervisory Board reports to the Nolostand Board of Directors, as part of its periodic reports, the information referred to in the previous point, if considered of interest in the logic of the Group's management and coordination.

6. Dissemination of the Model

In order to effectively implement the Model, the Company ensures the correct disclosure of its contents and principles inside and outside its organisation.

In particular, the Company's objective is to extend the communication of the contents and principles of the Model not only to its employees, but also to individuals who, despite not having the formal qualification of employee, work - also occasionally - on behalf of the Company, carrying out an activity from which it could incur administrative liability of the entities.

This Model is published in its entirety on the Fiera Milano Group intranet, while the Code of Ethics and the General Section of the Model are also published on the Company's website.

The communication and training activity is diversified according to the recipients to whom it is addressed and is in any case based on principles of completeness, clarity, accessibility and continuity in order to allow the various recipients to be fully aware of those company provisions that they are required to comply with and of the ethical rules that must inspire their conduct.

The communication and training activity is under the supervision of the Supervisory Board, which is assigned the task of promoting and defining initiatives for the dissemination of knowledge and understanding of the Model, as well as for training staff and raising their awareness of compliance with the principles contained in the Model and of promoting and developing communication and training initiatives on the contents of the Decree and on the impacts of the legislation on company activity and rules of conduct. The organisation and operational management of communication and training initiatives is the responsibility of the competent company functions.

6.1 Staff training and information

Every employee is required to:

i) be aware of the principles and contents of the Model;
ii) know the operating methods with which their activity must be carried out;
iii) actively contribute, in relation to their role and responsibilities, to the effective implementation of the Model, pointing out any deficiencies found in it;
iv) participate in training courses, aimed at their function.

In order to ensure an effective and rational communication activity, the Company promotes and facilitates the knowledge of the contents and principles of the Model by employees, with a diversified degree of understanding depending on their position and the role they hold.

Information to employees is implemented by inserting the current version of the Model into the company intranet.

Appropriate communication tools are adopted to update employees about any changes made to the Model, as well as any significant procedural, regulatory or organisational changes.

The Supervisory Board promotes any training activity it deems suitable for the purpose of correctly informing and raising awareness in the company of the themes and principles of the Model.

As far as training is concerned, the competent company functions define training programmes aimed at disseminating knowledge of the Model and submit these programmes to the prior examination of the Supervisory Board. The training programmes cover the following topics:

- ✓ introduction to the legislation and the methods of implementing them within the Group. In particular, all staff are made aware of the consequences deriving to the Company from crimes possibly being committed by individuals who act for it, of the essential characteristics of the crimes provided for by the Decree and of the function that the Model performs in this context;
- ✓ illustration of the individual components of the Model and the specific preventive purposes it fulfils;
- ✓ illustration, with reference to individual company processes, of the operating methods related to the exercise of the individual areas of activity considered at risk, with interactive training methods.

Systems, including computer systems, are set up to verify attendance of these training programmes.

As regards new hires, the material used for training is sent, also through IT instruments. It is considered whether to organise a specific seminar, after agreement with one’s Manager.

7. Disciplinary System

Article 6(2)(e) and article 7(4)(b) of Legislative Decree 231/2001 establish (with reference both to persons in a senior position and to subjects under other management) the necessary provision of *"a disciplinary system suitable to punish non-compliance with the measures indicated in the model."*

The effective implementation of the Model cannot be separated from the provision of an adequate penalty system, which plays an essential function in the architecture of Legislative Decree 231/2001, constituting the protection of internal procedures.

Any violations would compromise the bond of trust between the Parties, justifying the application by the Company of disciplinary measures.

A substantial prerequisite for the Company's disciplinary power is the attribution of the violation to the worker (whether s/he is a subordinate or in a senior position or collaborator), regardless of the fact that such behaviour constitutes a significant violation.

A fundamental requirement of the penalties is their proportionality with respect to the violation detected, a proportionality that must be evaluated in accordance with three criteria:

- the seriousness of the violation;
- the type of employment relationship established with the provider (subordinate, sub-contracted, management, etc.), taking into account the specific existing legislative and contractual provisions;
- possible repetition.

Prior to or at the same as the application of a disciplinary measure, the Fiera Milano Supervisory Board, as soon as it receives news that a crime is committed, including if only in the form of an attempt, implements the following measures in order to limit the negative consequences or in any case reduce the harmful impact of the offence on the entity, in particular:

- specific audit, possibly with the involvement of the Internal Control Department, to verify the activity carried out by the Company in the area affected by the possible criminal proceedings and the risks;
- disclosure to the Board of Directors and the Board of Statutory Auditors.

In addition, the Company may also take the following measures, in particular:

- sending a formal communication to the employee in which the behaviour adopted by the employee that does not comply with the provisions of the model and internal procedures is challenged;
- exemption from the work activity of the employee involved during the specific audit (with possible temporary suspension or other measures depending on the seriousness).

7.1 Subordinate workers

Notwithstanding the above measures, violations of the rules of conduct dictated in this Model constitute disciplinary offences.

Therefore, in addition to the measures that the Supervisory Board will adopt in accordance with the provisions in the previous paragraph, violations of the Fiera Milano Model and the Group Code of Ethics entail the application of the penalties provided for by collective bargaining, taking into account the particular delicacy of the system and the seriousness of even the slightest violations of the Model.

In addition, there is a Supplementary Company Agreement that regulates in a unified manner, although compatible with current legal provisions and with higher-level bargaining, all employment relationships, excluding those of managers only.

On a procedural level, article 7 of Law 300/70 (Workers' Statute) applies.

1. FINE

A worker who violates the internal procedures provided for by the Model or adopts behaviour that does not comply with the requirements of the Model when carrying out an activity in a risk area is therefore subject to the disciplinary penalty of a fine, for a sum not exceeding the amount of four hours of normal compensation.

2. SUSPENSION

A worker who repeatedly violates the internal procedures provided for by the Model or repeatedly has a behaviour that does not comply with the requirements of the Model when carrying out an activity in a risk area, is subject to the disciplinary penalty of suspension from pay and service for a period of one to ten days.

3. DISMISSAL

a) A worker who, while carrying out an activity in one of the risk areas, adopts behaviour that does not comply with the requirements of the Model and unequivocally directed to commit one of the crimes punished by Legislative Decree 231/2001, is therefore subject to the disciplinary measure of dismissal with compensation in place of notice and with severance pay.

b) A worker who, while carrying out an activity in one of the risk areas, has a behaviour that does not comply with the requirements of the Model and such as to determine concrete application by the Company of the measures provided for by Legislative Decree 231/2001, is subject to the disciplinary penalty of dismissal without notice.

The penalties are applied by the Chief Executive Officer of the Company or by a person delegated by him.

7.2. Executives

With regard to Executives, with reference to the procedure to be applied, in acceptance of the most rigorous stance, we proceed according to the requirements of article 7 of the Workers' Statute.

1. DISMISSAL

An executive who, in the context of the at-risk areas, behaves in a manner that does not comply with the requirements of the Model or violates the internal procedures provided for by the Model, thereby committing an act contrary to the interest of the Company or by unambiguously engaging in direct conduct to commit one of the crimes punished by Legislative Decree 231/2001, is therefore subject to dismissal.

The penalties are applied by the Chief Executive Officer of the Company or by a person delegated by him.

7.3 External collaborators

To sanction behaviour that does not comply with the requirements of the Model carried out by external collaborators (technical partners, project workers, sub-contracted workers), there are special contractual clauses included in letters of assignment or collaboration contracts, which set out the termination of the relationship, without prejudice to any claim for compensation in the event that concrete damage to the Company results from the behaviour of the collaborator.

7.4 Directors

In the event that conduct in violation of the requirements of the Model by one of the Directors occurs, the Supervisory Board shall inform the entire Board of Directors and the Board of Statutory Auditors by means of a written report.

Therefore, the Board of Directors will assess the situation and take the measures considered appropriate, in compliance with current legislation. In the most serious cases, the Board of Directors may propose removal from office.

7.5 Statutory Auditors

In the event that conduct in violation of the requirements of the Model by one of the members of the Board of Statutory Auditors occurs, the Supervisory Board shall inform the Board of Directors and the Board of Statutory Auditors.

Therefore, the Board of Directors will assess the situation and take the measures considered appropriate, in compliance with current legislation. In the most serious cases, the Board of Directors may propose removal from office.