
**Organizational,
Management
and Control
Model pursuant
to Legislative
Decree n.
231/2001**

**Harmont & Blaine
SpA .**



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GENERAL PART

1. DEFINITIONS

- **Code of Ethics** : document that defines internally and externally the rules, obligations, duties and responsibilities of all senior management and subordinates, aimed at outlining and affirming approved and shared values and behaviors, also with the aim of preventing potential crimes
- **Recipients: employees, managers, directors, and** third parties who have contractually regulated collaborative relationships with Harmont & Blaine SpA or who represent the Company without any dependency (for example: commercial partners, agents and consultants, distributors, etc.).
- **Entity** : The provisions of Legislative Decree 231/01 "apply to entities with legal personality and to companies and associations, even those without legal personality. They do not apply to the State, local public bodies, other non-profit public bodies, or entities that perform functions of constitutional importance" (Article 1, paragraphs 2 and 3 of Legislative Decree 231/01).
- **Public function** : activities governed by public law provisions pertaining to legislative functions (State, Regions, Provinces with special statutes, etc.), administrative functions (members of state and territorial administrations, law enforcement agencies, members of supranational administrations - e.g., the EU -, members of Authorities , Chambers of Commerce, members of Building Commissions, inspectors of public works, etc.) and legal functions (Judges, Judicial Officers, auxiliary bodies of the Administration of Justice such as bankruptcy trustees or liquidators, etc.).
- **Public Service Officer (PSO)**: A Public Service Officer (PSO) is someone who, while not strictly speaking a public official with the typical functions of such status (certification, authorization, and decision-making), nevertheless performs a public service for public bodies in general. Article 358 of the Criminal Code states, "For the purposes of criminal law, 'Public Service Officers' are those who, in any capacity, provide a public service. 'Public service' means an activity governed by the same rules as a public function, but characterized by the lack of the powers typical of the latter, and excluding the performance of simple administrative duties and the provision of merely material services."
- **Model or MOG** : the Organization, Management and Control Model suitable for preventing the potential commission of crimes, defined in accordance with the relevant legislation
- **Reference legislation** : Legislative Decree 231/2001 and any other legislation, connected to the Decree or its principles, which establish the administrative liability of a Company for crimes committed by senior management or subordinates
- **Public Administration** : whether in national, foreign or community law, it means any administration of the State, of local or community public bodies, as well as any public body, agency or independent administrative authority and its branches, any person acting as a Public Official or Person in Charge of a Public Service
- **Public Service (PU)**: For the purposes of criminal law, public officials are those who exercise a public legislative, judicial, or administrative function. For the same purposes, an administrative function governed by public law and authoritative acts and characterized by the formation and expression of the will of the Public Administration or its implementation through authoritative or certifying powers is considered public.
- **Predicate crimes** : the crimes and/or administrative offences provided for by the legislation, which, if committed by senior and/or subordinate individuals, entail the liability of the Company

- **Manager** : person with powers of representation, administration or management, responsible for the operational management of a specific Department/Unit of the Company
- **Company** : Harmont & Blaine SpA
- **Senior management** : persons who hold representative, administrative, or management roles within the Entity or within one of its Directorates with financial and functional autonomy, as well as persons who exercise, even de facto, management and control thereof (Article 5, paragraph 1, letter a) of Legislative Decree 231/01.
- **Supervisory Body or Supervisory Body** : entity (monocratic or collective) that supervises the functioning and compliance with the model (including updating) and must have powers of initiative and control (autonomy).

2. DESCRIPTION OF THE REGULATORY FRAMEWORK

2.1 Introduction

In September 2000, the Italian legislator delegated the Government to adopt a legislative decree concerning the regulation of the liability of organized entities, including legal persons and companies.

This regulation was introduced into our legal system with the promulgation of Legislative Decree no. 231 of 8 June 2001 (hereinafter, "Legislative Decree 231/2001"), which established the "administrative" liability of associative bodies (companies, consortia, other entities provided for and without legal personality, associations) arising from the commission – or attempted commission – of certain types of crimes (so-called "predicate crimes") by a representative of the body in the interest or to the benefit of the body itself. The Decree brought Italian legislation on the liability of legal entities into line with several international conventions previously signed by Italy, such as the Brussels Conventions of 26 July 1995 and 26 May 1997 on the protection of the financial interests of the European Union and on combating bribery of public officials of the European Union and its Member States, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

In particular, the Company is responsible for crimes committed in its interest or to its advantage:

- By "persons who hold representative, administrative, or management roles within the Entity or within one of its organizational units with financial and functional autonomy, as well as by persons who exercise, even de facto, the management and control of the Entity itself" (the above-defined individuals "in apical positions" or "apical"; art. 5, paragraph 1, letter a), of Legislative Decree 231/2001);
- By persons subject to the direction or supervision of one of the senior management personnel (the so-called persons subject to the direction or supervision of others; art. 5, paragraph 1, letter b), of Legislative Decree 231/2001).

The liability provided for by Legislative Decree 231/2001, although formally referred to as "administrative" by the legislator, has – according to the prevailing interpretation – a substantially criminal nature since:

- Arising from the commission of a crime;
- It is ascertained by the criminal judge within the criminal proceedings initiated against the perpetrator of the crime;
- It involves the application of particularly severe sanctions (up to permanent disqualification from carrying out the activity, for certain types of predicate crimes, in the most serious cases).

The liability of the Entity is independent of the individual liability of the natural person who committed the violation, and the related sanction applied to the Entity is cumulative with that imposed on the natural person as a consequence of the violation.

2.2 The criteria for attributing liability to the Entity and exemptions from liability

If one of the predicate crimes is committed (illustrated in paragraph 2.3 below), the Entity is liable only if certain conditions are met, which are defined as the criteria for attributing the crime to the Entity and which are divided into objective criteria and subjective criteria.

The first objective condition is that the predicate crime was committed by a person with a qualified relationship with the Entity. Article 5 of the Decree, in fact, specifies the perpetrators of the crime as:

- Individuals who hold representative, administrative or management roles within the Entity or within one of its organizational units with financial and functional autonomy, or individuals who effectively manage and control the Entity (so-called senior or top management positions);
- Individuals subject to the direction or supervision of senior management (so-called subordinate or subordinate individuals).

The second objective condition is that the illicit conduct was carried out by the aforementioned subjects "in the interest or to the advantage of the Company" (art. 5, paragraph 1 of the Decree):

- The "interest" exists when the perpetrator of the crime acted with the intent of benefiting the Entity, regardless of whether this objective was subsequently achieved;
- The "advantage" exists when the Entity has obtained, or could have obtained, a positive result from the crime, not necessarily of an economic nature.

By express will of the Legislator, the Institution is not liable in the event that the top management or the subordinates have acted "in their own exclusive interest or in the interest of third parties" (art. 5, paragraph 2 of the Decree).

The criterion of "interest or advantage," consistent with the direction of intent inherent in intentional crimes, is in itself incompatible with the negligent structure of the predicate crimes provided for in Article 25-septies of the Decree (homicide and negligent injury).

In these latter cases, the negligent component (which implies a lack of intent) precludes the possibility of the predicate offense being committed in the interest of the Entity (which would presuppose a deliberate direction). Given the legislator's silence, the most widely accepted interpretative theory considers the criterion for attributing the aforementioned negligent offenses to be that non-compliance with accident prevention regulations constitutes an objective advantage for the Entity (at least in terms of lower costs resulting from the aforementioned non-compliance). Therefore—as will be further demonstrated in the special section of the Model dedicated to Article 25-septies—the attribution criterion in question is, in these cases, limited to the objective circumstance that the non-compliance brings an advantage to the Entity.

Regarding the subjective criteria for attributing the crime to the Entity, they establish the conditions under which the crime is "attributable" to the Entity: in order for the crime not to be attributed to it from a subjective perspective, the Entity must demonstrate that it has done everything in its power to organize, manage, and ensure that one of the predicate crimes listed in the Decree cannot be committed in the exercise of its business activity.

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

- Organizational and management models suitable for preventing the commission of crimes must be prepared and implemented;
- A supervisory body (Supervisory Body) should be established, with autonomous powers of initiative and tasked with overseeing the functioning of the organizational models.

In the event of crimes committed by individuals in senior positions, the Legislator has established a presumption of guilt for the Entity, considering the fact that senior individuals express, represent, and implement the management policy of the Entity itself.

The Entity's liability is excluded only if it demonstrates that the crime was committed by fraudulently circumventing the existing organizational, management, and control model (hereinafter the "Model") and that there was no omission or insufficient control by the Supervisory Body (hereinafter also the "SB"), specifically charged with overseeing the proper functioning and effective compliance with the Model itself (Article 6 of the Decree). In these cases, therefore, the Decree requires stronger proof of non-involvement in the crime, since the Entity must also prove some sort of internal fraud against the Model by senior management.

In the event of a crime committed by a subordinate, however, the Entity will be held liable only if the commission of the crime was made possible by failure to comply with management and supervisory obligations.

In this case, the Entity's exclusion from liability is essentially conditional on the adoption of appropriate behavioral protocols, for the type of organization and activity performed, to ensure that the activity is conducted in compliance with the law and to promptly identify and eliminate risk situations (Article 7, paragraph 1 of the Decree). In this case, this is a true "organizational fault," since the Entity indirectly consented to the commission of the crime by failing to adequately supervise the activities and individuals at risk of committing a predicate crime.

The Company's administrative liability is, however, excluded if the Company has, among other things, adopted and effectively implemented, prior to the commission of the crimes, organizational, management, and control models suitable for preventing such crimes; such models may be adopted on the basis of codes of conduct (guidelines) developed by the associations representing the Companies and communicated to the Ministry of Justice.

The Company's administrative liability is, in any case, excluded if the top management and/or their subordinates have acted in their own exclusive interest or in the interest of third parties.

2.3 Crimes

In compliance with the "principle of legality" referred to in art. 2 of the Criminal Code, the Legislator has identified a *number Clause* of crimes for which the Entity may be held liable (so-called predicate crimes). The types of crimes that may give rise to the Entity's liability, exhaustively listed by the Decree, can be included, for convenience, in the following categories:

- **Crimes against public administration:**
- Unlawful receipt of funds, fraud against the State or a public body or for the purpose of obtaining public funds, and computer fraud against the State or a public body (such as Embezzlement of funds against the State, Unlawful receipt of funds against the State, Fraud in Public Supplies, Fraud against the State or another public body, Aggravated fraud for the purpose of obtaining public funds, Computer fraud, Fraud

- against the European Agricultural Fund, referred to in Article 24 of Legislative Decree No. 231/2001);
- Embezzlement, Extortion, Undue Inducement to Give or Promise Other Benefits, Corruption and Abuse of Office (such as Embezzlement, Embezzlement by Profiting from Another's Error, Extortion, Corruption for the Exercise of Function, Corruption for an Act Contrary to Official Duties, Aggravating Circumstances, Corruption in Judicial Documents, Undue Inducement to Give or Promise Benefits, Corruption of a Person in Charge of a Public Service, Penalties for the Corruptor, Incitement to Corruption, Embezzlement, Extortion, Undue Inducement to Give or Promise Benefits, Corruption and Incitement to Corruption of Members of International Courts or of Bodies of the European Communities or of International Parliamentary Assemblies or of International Organizations and of Officials of the European Communities and of Foreign States, Abuse of Office, Illicit Influence Peddling, as referred to in Article 25, Legislative Decree No. 231/2001).
 - **Computer crimes and unlawful data processing** (such as computer documents, unauthorized access to a computer or telematic system, unauthorized possession, distribution and installation of equipment, codes and other means used to access computer or telematic systems, unauthorized possession, distribution and installation of computer equipment, devices or programs aimed at damaging or interrupting a computer or telematic system, unauthorized interception, impediment or interruption of computer or telematic communications, unauthorized possession, distribution and installation of equipment and other means used to intercept, impede or interrupt computer or telematic communications, damage to information, data and computer programs, damage to information, data and computer programs used by the State or by another public body or in any case of public utility, damage to computer or telematic systems, damage to computer or telematic systems of public utility, computer fraud by the entity providing electronic signature certification services, violation of the rules regarding the National Cyber Security Perimeter.
 - **Organized crime crimes** (such as criminal association, mafia-type association, including foreign associations, political-mafia electoral exchange, kidnapping for the purpose of extortion, association aimed at the illicit trafficking of narcotic or psychotropic substances, all crimes if committed by taking advantage of the conditions set out in art. 416-bis of the Criminal Code to facilitate the activity of the associations set out in the same article)_(L. 203/91), Illegal manufacturing, introduction into the State, offering for sale, transfer, possession and carrying in a public place or open to the public of war or war-type weapons or parts thereof, explosives, clandestine weapons as well as more common firearms, referred to in art. 24-ter, Legislative Decree no. 231/2001).
 - **Counterfeiting of coins, public credit cards, revenue stamps and instruments or signs of recognition** (such as Counterfeiting of coins, spending and introduction into the State, by prior agreement, of counterfeit coins, Altering of coins, Spending and introduction into the State, without agreement, of counterfeit coins, Spending of counterfeit coins received in good faith, Counterfeiting of revenue stamps, introduction into the State, purchase, possession or circulation of counterfeit revenue stamps, Counterfeiting of watermarked paper used for the manufacture of public credit cards or revenue stamps, Manufacturing or possession of watermarks or instruments intended for the counterfeiting of coins, revenue stamps or watermarked paper, Use of counterfeit or altered revenue stamps, Counterfeiting, alteration or use of trademarks or distinctive signs or patents,

models and designs, Introduction into the State and trade of products with false signs, referred to in art. 25-bis, Legislative Decree no. 231/2001);

- **Crimes against industry and commerce** (such as disruption of freedom of industry or commerce, unlawful competition through threats or violence, fraud against national industries, fraud in the exercise of commerce, sale of non-genuine foodstuffs as genuine, sale of industrial products with false markings, manufacture and trade of goods produced by usurping industrial property rights, counterfeiting of geographical indications or designations of origin of agri-food products, referred to in art. 25-bis.1, Legislative Decree no. 231/2001);
- **Corporate crimes** (such as false corporate communications, minor offences, false corporate communications by listed companies, obstruction of control, undue restitution of contributions, unlawful distribution of profits and reserves, unlawful transactions involving shares or quotas in the company or in the parent company, transactions to the detriment of creditors, failure to disclose conflicts of interest, fictitious formation of capital, unlawful distribution of corporate assets by liquidators, corruption between private individuals, incitement to corruption between private individuals, unlawful influence on the shareholders' meeting, stock manipulation, obstruction of the exercise of the functions of public supervisory authorities, referred to in art. 25-ter, Legislative Decree no. 231/2001);
- **Crimes with the aim of terrorism or subversion of the democratic order** provided for by the penal code and by the laws special (such as Subversive associations, Associations with the aim of terrorism, including international terrorism, or subversion of the democratic order, Assistance to members, Recruitment for the purpose of terrorism, including international terrorism, Organization of transfers for the purpose of terrorism, Training for activities with the aim of terrorism, including international terrorism, Financing of conduct for the purpose of terrorism, Subtraction of goods or money subject to seizure, Conduct for the purpose of terrorism, Attack for the purpose of terrorism or subversion, Act of terrorism with deadly or explosive devices, Acts of nuclear terrorism, Kidnapping for the purpose of terrorism or subversion, Kidnapping for the purpose of coercion, Incitement to commit any of the crimes provided for in Chapters I and II of Title I Book II of the Criminal Code, Political conspiracy by agreement, Political conspiracy by association, Armed gang - formation and participation, Assistance to participants in a conspiracy or armed gang, Seizure, hijacking and destruction of an aircraft, Damage to ground installations, Penalties for crimes committed against the safety of maritime navigation , Active repentance, New York Convention of 9 December 1999, "Suppression of the financing of terrorism", referred to in art. 25- quater, Legislative Decree 231/2001);
- **Crimes of female genital mutilation practices** (such as Female genital mutilation practices referred to in art. 25- quater.1 , Legislative Decree 231/2001);
- **Crimes against the individual** (such as reduction or maintenance in slavery or servitude, child prostitution, child pornography, possession of pornographic material, virtual pornography, tourism initiatives aimed at exploiting child prostitution, human trafficking, purchase and sale of slaves, solicitation of minors, referred to in art. 25- quinquies, Legislative Decree 231/2001);
- **Crimes relating to market abuse** (such as Insider dealing, Market manipulation, referred to in art. 25- sexies, Legislative Decree 231/2001);

- **Crimes of manslaughter and serious or very serious bodily harm through negligence** , committed in violation of accident prevention and workplace health and hygiene regulations (such as manslaughter, personal injury through negligence, referred to in Article 25-septies, Legislative Decree no. 231/2001);
- **Crimes of receiving stolen goods, money laundering and use of money, goods or utilities of illicit origin, as well as self-laundering** (such as receiving stolen goods, money laundering, use of money, goods or utilities of illicit origin, self-laundering referred to in art. 25- octies, Legislative Decree 231/2001);
- **Crimes involving non-cash payment instruments** (such as: Unauthorized use and counterfeiting of non-cash payment instruments; Possession and distribution of computer equipment, devices, or programs intended to commit crimes involving non-cash payment instruments; Computer fraud aggravated by the transfer of money, monetary value, or virtual currency; Other offences referred to in Article 25- octies.1 and paragraph 2, Legislative Decree no. 231/2001)
- **Crimes relating to copyright infringement** (such as Crimes committed on works of others not intended for publication if their honor or reputation is offended, Making available to the public, in a computer network system, through connections of any kind, a protected intellectual work, or part of it, Illegal duplication, for profit, of computer programs; import, distribution, sale or possession for commercial or entrepreneurial purposes or rental of programs contained in media not marked by the SIAE; provision of means to remove or circumvent the protection devices of computer programs, Reproduction, transfer to another media, distribution, communication, presentation or demonstration in public, of the contents of a database; extraction or reuse of the database; distribution, sale or rental of databases, Illegal duplication, reproduction, transmission or diffusion in public by any means, in whole or in part, of intellectual works intended for television, cinema, the sale or rental of records, tapes or media similar or any other medium containing phonograms or videograms of musical, cinematographic or similar audiovisual works or sequences of moving images; literary, dramatic, scientific or didactic, musical or dramatic-musical, multimedia works, even if included in collective or composite works or databases; reproduction, duplication, transmission or unauthorized diffusion, sale or trade, transfer of any kind or unauthorized importation of more than fifty copies or specimens of works protected by copyright and related rights; introduction into a telematic network system, through connections of any kind, of an intellectual work protected by copyright, or part of it, Failure to communicate to SIAE the identification data of media not subject to the mark or false declaration, Fraudulent production, sale, import, promotion, installation, modification, use for public and private use of equipment or parts of equipment suitable for decoding audiovisual broadcasts with conditional access carried out via airwaves, satellite, cable, in both analog and digital form, referred to from the art. 25- novies, Legislative Decree. 231/2001);
- **Inducement not to make statements or to make false statements to the judicial authority** (such as Inducement not to make statements or to make false statements to the judicial authority, referred to in art. 25- decies, Legislative Decree 231/2001);
- **Environmental crimes** (such as environmental pollution, environmental disaster, negligent crimes against the environment, trafficking and abandonment of highly

radioactive material, circumstances aggravating factors, Killing, destruction, capture, removal, or possession of specimens of protected wild animal or plant species; Destruction or deterioration of habitats within a protected site; Import, export, possession, use for profit, purchase, sale, display, or possession for sale or commercial purposes of protected species; Discharges of industrial wastewater containing hazardous substances; discharges onto soil, subsoil, or groundwater; discharges into the sea from ships or aircraft; Unauthorized waste management activities; Illicit waste trafficking; Organized activities for the purpose of illicit waste trafficking; Pollution of soil, subsoil, surface water, or groundwater; Violation of reporting obligations, maintenance of mandatory registers and forms; Computerized waste traceability control system; Intentional pollution caused by ships; Negligent pollution caused by ships; Cessation and reduction of the use of harmful substances, all referred to in art. 25- *undecies* , Legislative Decree. 231/2001);

- **Employment of third-country nationals whose stay is irregular** (such as Employment of third-country nationals whose stay is irregular, Provisions against illegal immigration, referred to in art. 25 – *duodecies* , Legislative Decree 231/01);
- **Racism and xenophobia** (such as propaganda and incitement to crime on the grounds of racial, ethnic and religious discrimination, referred to in art. 25 – *terdecies* , Legislative Decree 231/2001);
- **Fraud in sports competitions** , unauthorized gambling or betting and gambling carried out using prohibited devices (such as Fraud in sports competitions, Unauthorized gambling or betting, referred to in art. 25 – *quaterdecies* , Legislative Decree 231/2001);
- **Tax crimes** (such as fraudulent tax returns through the use of invoices or other documents for non-existent transactions, fraudulent tax returns through other means, issuing invoices or other documents for non-existent transactions, concealment or destruction of accounting documents, fraudulent evasion of tax payments, false tax returns, failure to file a tax return, undue compensation, as referred to in art. 25- *quinqesdecies* , Legislative Decree 231/2001);
- **Smuggling Offences** (such as Smuggling in the movement of goods across land borders and customs areas, Smuggling in the movement of goods in border lakes, Smuggling in the movement of goods by sea, Smuggling in the movement of goods by air, Smuggling in extra-duty areas, Smuggling through the improper use of goods imported with customs benefits, Smuggling in customs warehouses, Smuggling in cabotage and circulation, Smuggling in the export of goods eligible for duty refund, Smuggling in temporary import or export, Other cases of smuggling, Aggravating circumstances of smuggling, Smuggling of foreign manufactured tobacco, Aggravating circumstances of the crime of smuggling of foreign manufactured tobacco , Criminal conspiracy aimed at smuggling of foreign manufactured tobacco, referred to in art. 25 – *sexiesdecies* , Legislative Decree 231/2001);
- **Crimes against cultural heritage** - Laundering of cultural property and devastation and looting of cultural and landscape property (such as Theft of cultural property, Misappropriation of cultural property, Receiving stolen cultural property, Forgery of private documents relating to cultural property, Violations relating to the alienation of cultural property, Illicit import of cultural property, Illicit export or exit of cultural property, Destruction, dispersion, deterioration, defacement, soiling and illicit use of cultural or landscape property, Counterfeiting of works of art,

Laundering of cultural property, Devastation and looting of cultural and landscape property referred to in art. 25- *duodecies* , Legislative Decree 231/2001);

- **Transnational crimes** (such as Provisions against illegal immigration, Conspiracy aimed at the illicit trafficking of narcotic or psychotropic substances, Criminal conspiracy aimed at the smuggling of foreign manufactured tobacco, Inducement to withhold or make false statements to the judicial authorities, Personal aiding and abetting, Criminal conspiracy, Mafia-type association, referred to in Article 10 of Law No. 146 of 16 March 2006, on the "ratification and implementation of the United Nations Convention and Protocols against Transnational Organized Crime, adopted by the General Assembly on 15 November 2000 and 31 May 2001", constitute grounds for the administrative liability of entities if committed transnationally).

For companies listed on regulated markets, Article 187-quinquies of Legislative Decree 58/1998 provides that the entity may also be held liable for the payment of a sum equal to the amount of the administrative fine imposed for the administrative offenses of insider dealing (Article 187-bis of Legislative Decree 58/1998) and market manipulation (Article 187-ter of Legislative Decree 58/1998), if committed, in its interest or to its advantage, by persons classified as "senior management" or "persons subject to the direction or supervision of others." Furthermore, the last paragraph of the aforementioned Article 187-quinquies provides: Article 187-quinquies provides that certain provisions of Legislative Decree 231/2001, expressly referred to therein, concerning, among other things, organizational, management and control models with exempting effect, apply to the administrative offenses referred to above.

Given the type of business and activities carried out by the Company, the currently applicable crime categories are:

- Crimes against Public Administration;
- Computer crimes and unlawful data processing;
- Organized crime crimes;
- Counterfeiting of coins, public credit cards, revenue stamps and instruments or signs of recognition;
- Crimes against industry and commerce;
- Corporate Crimes;
- Crimes aimed at terrorism or subversion of the democratic order;
- Crimes against the individual personality;
- Crimes of manslaughter and serious or very serious bodily harm through negligence;
- Crimes of receiving stolen goods, money laundering and use of money, goods or utilities of illicit origin, as well as self-laundering;
- Crimes relating to non-cash payment instruments;
- Crimes relating to infringement of copyright;
- Inducement not to make statements or to make false statements to the judicial authority ;
- Environmental crimes;
- Employment of third-country nationals whose residence permit is irregular;
- Crimes of racism and xenophobia;
- Tax crimes;
- Smuggling crimes;
- Transactional crimes.

To mitigate the risk of committing the predicate offences in the categories listed above, the Company has established specific control protocols, the details of which are provided in the Special Section of this Model.

2.4 Apparatus sanctioning

Article 9 of Legislative Decree 231/2001 provides for the following sanctions against the Company as a consequence of the commission or attempted commission of the above-mentioned crimes:

- Fines ranging from a minimum of 25,800 € to 1,549,000 € and are determined by the judge by evaluating the seriousness of the unlawful act, the entity's liability, and the efforts undertaken to eliminate or mitigate the causes of further unlawful acts. The amount of the instalment is also set based on the entity's financial and financial situation to ensure the effectiveness of the sanction. A pecuniary sanction is always applied for administrative offenses resulting from a crime. It must therefore be applied in instalments of no less than one hundred and no more than one thousand;
- Interdictory sanctions (also applicable as a precautionary measure) lasting no less than three months and no more than two years which, in turn, may consist of:
 - Prohibition from carrying out the activity;
 - Suspension or revocation of authorizations, licenses or concessions functional to the commission of the crime;
 - Prohibition on contracting with the public administration;
 - Exclusion from benefits, financing, contributions or subsidies and the possible revocation of those granted;
 - Prohibition on advertising goods or services;
- Confiscation (and precautionary seizure in precautionary proceedings);
- Publication of the sentence (in case of application of a disqualification sanction).

It is also possible to place the entity under special administration, pursuant to art. 15 of Legislative Decree no. 231/2001 *"[...] If the conditions exist for the application of a prohibitive sanction that determines the interruption of the entity's activity, the judge, in place of applying the sanction, orders the continuation of the entity's activity by a commissioner for a period equal to the duration of the prohibitive sanction that would have been applied, when at least one of the following conditions applies: a) the entity performs a public service or a service of public necessity whose interruption could cause serious harm to the community; b) the interruption of the entity's activity could cause, taking into account its size and the economic conditions of the territory in which it is located, significant repercussions on employment [...]"*.

Interdictory sanctions apply only to crimes for which they are expressly provided and provided that at least one of the following conditions is met:

- The Company derived a significant profit from the commission of the crime and the crime was committed by individuals in senior positions or by individuals subject to the direction of others when, in the latter case, the commission of the crime was determined or facilitated by serious organizational deficiencies;
- In case of repeated offences.

The sanctions of disqualification from carrying out the activity, a ban on contracting with the public administration, and a ban on advertising goods or services may be applied—in the most serious cases—permanently. Furthermore, it should be noted that the Company's operations may be continued (in lieu of the imposition of the sanction) by a commissioner appointed by the judge pursuant to and under the conditions set forth in Article 15 of Legislative Decree 231/2001.

In the event of an attempted commission of crimes relevant to the administrative liability of entities, the pecuniary sanctions (in terms of amount) and the interdiction sanctions (in terms of time) are reduced by between one-third and one-half.

2.5 Crimes clerks abroad

Pursuant to Article 4 of Legislative Decree 231/2001, the Organization may be held liable in Italy for crimes—relevant to the administrative liability of organizations—committed abroad.

The general assumptions on which the liability of the Entity for crimes committed abroad is based are:

- Crime committed in the interest or to the advantage of the Entity by a senior individual (art. 5 Legislative Decree 231);
- Failure to adopt and effectively implement *compliance programs* (art 6-7 Legislative Decree 231).

The specific assumptions on which the liability of the Entity for crimes committed abroad is based are:

- The crime must be committed abroad by the senior individual;
- The Institution must have its headquarters within the territory of the Italian State;
- The Entity may be held liable only in the cases and under the conditions set forth in Articles 7, 8, 9, and 10 of the Criminal Code, regarding the applicability of Italian law to crimes committed abroad;
- If the cases and conditions indicated in sub 3) exist, the Entity is liable provided that the State of the place where the act was committed does not take action against it;
- Finally, in cases where the law provides that the guilty party be punished at the request of the Minister of Justice, proceedings are taken against the institution only if the request is also made against the latter.

2.6 The events that changed the organization

The Decree contains the rules governing the Entity's liability regime in the event of changes in its business, such as transformation, merger, demerger, or transfer of a business.

In the event of a transformation of the entity, liability for crimes committed prior to the effective date of the transformation remains intact. The new entity will therefore be subject to the penalties applicable to the original entity for crimes committed prior to the transformation (Article 28 of the Decree).

In the event of a merger, the entity resulting from the merger, including through incorporation, is liable for the crimes for which the entities participating in the merger were responsible (Article 29 of the Decree).

In the event of a partial demerger, the liability of the demerged entity for crimes committed prior to the demerger remains intact. However, the entities benefiting from the partial or total demerger are jointly and severally liable for the payment of any fines owed by the demerged entity for crimes committed prior to the demerger, up to the effective value of the assets transferred to each entity (Article 30 of the Decree).

Finally, in the event of the transfer or assignment of the business in which the crime was committed, without prejudice to the benefit of prior enforcement of the transferring entity, the transferee is jointly liable with the transferring entity for the payment of the fine, within the limits of the value of the transferred business and within the limits of the fines recorded in the mandatory accounting records, or of which the transferee was otherwise aware. In any case, the prohibitive sanctions apply to the entities to which the business branch in

which the crime was committed has remained or has been transferred, even in part (Article 33 of the Decree).

2.7 Organization, management and control models

A fundamental aspect of Legislative Decree 231/2001 is the attribution of an exempting value to the organizational, management, and control models of the Company adopted by entities in order to prevent the commission of the predicate crimes by the representatives (both top management and those subject to the direction and supervision of the former) of the entity.

The Decree does not analytically regulate the nature and characteristics of the Model, but merely lays down some general principles. It is important to emphasize that the mere adoption of the Model by an Entity is not sufficient to exclude its liability.

In the event of a crime committed by a person in a senior position, in fact, the Company is not liable if it proves that (art. 6, paragraph 1, of Legislative Decree 231/2001):

- The governing body adopted and effectively implemented, prior to the commission of the crime, organizational and management models suitable for preventing crimes of the type that occurred;
- The task of monitoring the functioning and compliance with the models and ensuring their updating has been entrusted to a Company body with autonomous powers of initiative and control;
- The individuals committed the crime by fraudulently circumventing the organizational and management models;
- There was no omission or insufficient supervision by the Supervisory Body.

The Company must therefore demonstrate its lack of involvement in the facts alleged against the senior executive by proving the existence of the above-mentioned concurrent requirements and, consequently, the circumstance that the commission of the crime did not result from its own "organizational fault," i.e., from the failure to implement suitable measures (adequate organizational, management, and control models) to prevent the commission of crimes relevant to the administrative liability of entities.

However, in the case of a crime committed by individuals subject to the direction or supervision of others, the Company is liable if the commission of the crime was made possible from the violation of the management or supervisory obligations which the Company is required to comply with.

In any case, the violation of management or supervisory obligations is excluded if the Company, prior to the commission of the crime, has adopted and effectively implemented an organizational, management and control model suitable for preventing crimes of the type that occurred.

Article 7, paragraph 4, of Legislative Decree 231/2001 also defines the requirements for effective implementation of organizational models:

- verification and any modification of the model when significant violations of the provisions are discovered or when changes occur in the organization and activity;
- A disciplinary system capable of sanctioning failure to comply with the measures indicated in the model.

In the event envisaged in the aforementioned Article 7, the judicial authority will have to prove the failure to adopt and effectively implement an organizational, management, and control model capable of preventing crimes of the type that occurred.

Legislative Decree 231/2001 outlines the content of organizational and management models, establishing that these, in relation to the scope of delegated powers and the risk of commission of crimes, must:

- Identify activities within which crimes may be committed;
- Provide specific protocols aimed at planning the training and implementation of the Company's decisions in relation to the crimes to be prevented;
- Identify ways of managing financial resources that are suitable for preventing the commission of crimes;
- Provide for reporting obligations towards the body responsible for overseeing the functioning and compliance with the models;
- Introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model.

2.8 Case law precedents

In drafting the Model adopted by Harmont & Blaine SpA, consideration was given to the applicable legislation, the "Guidelines for the Construction of Organization, Management, and Control Models" pursuant to Legislative Decree No. 231 of June 8, 2001 (hereinafter also the "Confindustria Guidelines," referred to in the following paragraph) developed by Confindustria, the corpus of company procedures, and the case law issued in recent years.

In outlining the criteria for creating a Model that can meet the needs of the Institution, the Judges also highlighted the need to:

- Carry out an analysis of the possible ways in which the crimes themselves could be committed;
- Provide a comprehensive overview of how crimes can be committed within the internal and external operational context in which the company operates;
- Take into consideration the history of the institution (past events, including judicial ones);
- Provide for segregation of functions in risky processes;
- Assign authorizing signature powers consistent with organizational and management responsibilities;
- Provide a monitoring system suitable for reporting critical situations;
- Adopt tools and mechanisms that make financial management transparent, preventing the creation of slush funds through the issuance of invoices for non-existent transactions, through unjustified transfers of funds between companies belonging to the same group, or through payments for consultancy services never performed or for services of a value significantly lower than that declared by the company.

The Judges also paid particular attention to the Supervisory Board . It must be a body capable of carrying out its functions autonomously and independently. Internal members of the organization may also be members of the Supervisory Board, provided they have no operational functions and the external element is predominant.

2.9 Codes of conduct drawn up by associations representing the institutions

In compliance with the provisions of Article 6, paragraph 3, of Legislative Decree 231/2001, Confindustria has issued a code of conduct for the construction of organizational, management, and control models (*the "Guidelines for the Construction of Organizational, Management, and Control Models" pursuant to Legislative Decree no. 231 of June 8, 2001* ; hereinafter, the "Confindustria Guidelines"), providing, among other things, methodological indications for identifying risk areas and the structure of the organizational, management, and control model.

In particular, the Confindustria Guidelines provide the following main indications:

- Identification of risk areas, aimed at verifying in which company areas/sectors it is possible to commit the types of criminal and administrative offenses relevant to the administrative liability of entities;
- Establishment of a control system capable of preventing risks through the adoption of specific procedures.

The components of a preventive control system identified by Confindustria, with reference to intentional crimes, are:

- Code of ethics (or conduct) with reference to the crimes considered;
- Organizational system;
- Manual and computerized procedures;
- Authorization and signature powers;
- Management control system;
- Communication to staff and their training;

With reference to the crimes of manslaughter and negligent personal injury committed in violation of the regulations on health and safety at work:

- Code of ethics (or conduct) with reference to the crimes considered;
- Organizational structure;
- Education and training;
- Communication and engagement;
- Operational management;
- Security monitoring system.

The components of the control system must be inspired by the following principles:

- Verifiability, documentability , coherence and congruence of each operation, transaction, action;
- Application of the principle of separation of duties (no one can independently manage an entire process);
- Documentation of controls;
- Provision of an adequate system of sanctions for violations of the provisions of the code of ethics and the procedures set out in the model;
- Identification of the requirements of the Supervisory Body, which can be summarised as follows:
 - Autonomy and independence;
 - Professionalism;
 - Continuity of action;
 - Information obligations to and from the Supervisory Body.

2.10 Legislative Decree no. 231/2001 in groups of companies¹

A group of companies is defined as the concentration of multiple companies under the unifying management and financial control of a single parent company or holding company. Therefore, within groups of companies, plurality—the distinct legal status of the companies operating under the control of the holding company—is accompanied by an element of entrepreneurial unity, represented by the single economic management of the holding company itself and the focus of each company's activities on the overall interests of the group.

Although a group of companies is considered an entity without autonomous legal personality, it is clear that merging the objectives and operations of the individual companies into a coherent vision and achieving a common purpose under a single economic direction has particularly significant consequences for the administrative liability of entities for criminal offenses, where a crime under Legislative Decree no. 231/2001 is committed within the group.

It is therefore necessary for each Group company to adopt its own organizational model that responds to the specific characteristics of the activity carried out by each individual corporate organizational structure and to establish its own Supervisory Body within it.

Thus, if a crime relevant to the purposes of Legislative Decree no. 231/2001 is committed, the sanction will be imposed only on a specific company within the group if:

- The crime was committed in the interest or for the benefit of that Company;
- The crime was committed by a person who has a qualified organic/functional relationship with that specific Company.

Indeed, case law has ruled in favor of the possibility of establishing "group liability" pursuant to Legislative Decree no. 231/2001. However, a ruling on the subject (Cass. 20 June 2011, no. 24583) clarified that, for this to be possible, the following conditions must be met:

- The so-called "group interest," and for this purpose "interest and advantage" [...] must be verified in concrete terms, in the sense that the Company must receive a potential or actual benefit, even if not necessarily of a financial nature, deriving from the commission of the underlying crime [...]; in essence, for liability to migrate from one Company to another, it is not sufficient to refer to a generically understood indistinct group interest, but the existence of a homogeneous amalgamation of the interests of the various Companies must be concretely ascertained;
- The qualified relationship between the perpetrator of the crime and the group company deemed liable pursuant to Legislative Decree no. 231/2001, even if the crime was committed within the scope of the activities of another company belonging to the group: with reference to this second essential prerequisite, according to the case law cited above, "the holding company or other group companies may be liable pursuant to Law 231, but the person acting on their behalf must be in collusion with the person committing the crime."
- By way of example, therefore, the prerequisite for a qualified relationship may be deemed to exist if the crime was committed by:
 - A director of the subsidiary in conjunction with a director of the parent company or of other companies belonging to the group;
 - A director of the subsidiary who is simultaneously a director of the parent or another subsidiary;
 - A director of the parent company or of other group companies who is the de facto director of the subsidiary.

In essence, therefore, to avoid an automatic (and therefore undue) extension to the holding company of criminal liability attributable to one or more of the subsidiaries within the group,

¹This paragraph refers indiscriminately to Group companies, whether Italian or foreign. The section relating to crimes committed abroad is included in Section 2.5.

it is necessary to verify whether the holding company has actually exercised comprehensive de facto control over its subsidiaries, in the sense of having issued criminally unlawful directives (and not merely aimed at ensuring that the subsidiaries achieve certain economic results), to the point of rendering the management bodies of the subsidiaries themselves devoid of effective managerial autonomy.

3. GOVERNANCE MODEL AND THE COMPANY 'S GENERAL ORGANIZATIONAL STRUCTURE

3.1 Harmont & Blaine SpA .

Harmont & Blaine operates in the *Fashion & Luxury segment* and it is specialized in casualwear high quality Italian through the production, marketing and distribution of classy sportswear characterised by the "**Dachshund**" brand .

Since its launch in 1995, "Harmont & Blaine" has become a leading international brand associated with an unmistakable Mediterranean heritage and an exclusive positioning in the premium segment (Mediterranean Lifestyle) .

Harmont & Blaine distributes its products in Italy and abroad through a distribution network of 81 single-brand stores, 469 multi-brand boutiques, and 75 corners and shop-in-shops in 46 countries worldwide.

To date, business activities have been developed mainly focused on:

- Direct and licensed clothing production;
- Multi-channel distribution (wholesale , retail/outlet and e-commerce).

Harmont & Blaine's goal is to maintain and strengthen the brand globally and expand its presence in related business sectors through the following strategic lines:

- Penetration of new geographic markets
- Expansion of the direct and indirect retail channel
- Expansion of business lines (clothing and non-clothing)
- Focus on direct dialogue with customers.

3.2 Harmont & Blaine Governance Model

The organizational configuration of the Harmont & Blaine Group (hereinafter the "Group") revolves around the Parent Company "Harmont & Blaine SpA" (hereinafter "the Parent Company"), a company under Italian law with headquarters in Caivano (NA) - Italy.

The organization is completed by a series of foreign commercial companies to which the retail distribution in their respective countries is entirely delegated, through the DOS (Directly Operated Stores).

During the 2021 financial year, the Group's structure underwent significant changes as a result of the relaunch of the internationalization plan through the establishment of new companies to directly manage the business in strategic markets such as Mexico and China. The following companies were therefore established: Harmont & Blaine Mexico S. de rl de CV (99.9% owned), Harmont & Blaine Trading (Shanghai) Co. Ltd. (100% owned), and Harmont & Blaine Asia Pacific Ltd. (100% owned). Harmont & Blaine San Marino Srl was also established to manage a sales outlet at the "The Market" outlet located in the Republic of San Marino.

Harmont & Blaine is governed by a Board of Directors composed of 7 (seven) members. Directors are appointed by resolution of the shareholders' meeting and serve for the term established by the shareholders' meeting, and in any case for periods not exceeding 3 (three) financial years, expiring on the date of the shareholders' meeting called to approve the financial statements for the last financial year of their term.

The Board of Directors is vested with the ordinary and extraordinary management of the Company. It may therefore perform all acts, including dispositions, it deems appropriate to implement its purpose, with the sole exception of those expressly reserved by law or the bylaws to the shareholders' meeting. Signature and representation of the Company before third parties and in court (with the right to appoint lawyers and attorneys for litigation) are

vested, severally, in the Chairman of the Board of Directors and, within the limits of their granted powers, in the managing directors and attorneys.

The Board of Directors may decide to delegate its powers, determining their limits, in compliance with Article 2381 of the Civil Code, and assigning special tasks to individual directors.

The bodies to which delegations are granted report to the Board of Directors and the Board of Statutory Auditors, as provided for by Article 2381, paragraph 5, of the Italian Civil Code. The Board of Auditors, appointed and operating in accordance with the law, is composed of 3 (three) effective auditors and 2 (two) substitute auditors, appointed by the Assembly. Since the Company is required to prepare consolidated financial statements, the accounting control is exercised by an auditor or an audit firm registered in the register of auditors established at the Ministry of Justice.

3.3 Harmont & Blaine 's organizational, management and control model

Harmont & Blaine has adopted its own organizational, management, and control model (hereinafter, for brevity, the "Model") in compliance with the requirements of Legislative Decree 231/2001 and in accordance with the relevant legislative and regulatory framework, with the principles already rooted in its *governance culture*, and with the indications contained in the Confindustria Guidelines.

In preparing the Model, Harmont & Blaine also took into account the procedures and control systems existing and operating within the company, even if not reported here verbatim, where deemed suitable as measures to prevent crime and control risk areas.

The principles and contents of the Model are intended for the members of the corporate bodies, the *management* and the employees of the Company.

The provisions and rules of conduct of the Model are also intended for commercial *partners*, consultants, external collaborators and other subjects having relationships with the Company, with reference to the activity carried out for Harmont & Blaine.

The constituent elements of the Model are reported below:

- Identification of corporate activities within which crimes relevant to the administrative liability of entities may be committed (so-called mapping of sensitive activities);
- The provision of control protocols (so-called standards) in relation to the sensitive activities identified.
- Code of Ethics;
- A program of periodic audits of sensitive activities and related control standards;
- An organizational system that clearly defines the hierarchy of company positions and responsibilities for carrying out activities;
- An authorization system, which assigns internal authorization powers and external signature powers in accordance with the adopted organizational system;
- Operating procedures for regulating the main company activities and, in particular, risky processes and for managing financial resources;
- A management control system that promptly highlights critical situations;
- A communication and training system for staff and members of corporate bodies, for the purpose of widespread and effective dissemination of company provisions and their implementation methods;
- A disciplinary system aimed at sanctioning violations of the provisions contained in the Model;
- The identification of a Supervisory Body, equipped with autonomous powers of initiative and control, which is entrusted with the task of monitoring the functioning and compliance with the Model;

- Specific reporting obligations to the Supervisory Body on key corporate events and, in particular, on areas deemed at risk;
- Specific information obligations on the part of the Supervisory Body towards company management and corporate bodies;
- Criteria for updating and adapting the Model.

3.3.1 Financial resources management methods

Given that financial resources are managed using methods appropriate for preventing the "predicate offenses" covered by Legislative Decree 231/2001, the Company has adopted tools and mechanisms that ensure the transparency of financial resource management. Specifically, a spending authorization process has been established that guarantees compliance with the principles of transparency, verifiability, and relevance to corporate activity, and ensures that authorization and signature powers are assigned consistently with organizational and management responsibilities.

3.3.2 Approval, updating and structure of the Organization, Management and Control Model

The Board of Directors, in accordance with the provisions of Article 6, paragraph 1, letter a), has approved the update of this Model.

The Board of Directors, upon proposal from the Supervisory Body, shall make subsequent amendments and additions to the Model, in order to ensure its continued compliance with the provisions of the Decree and any changes to the Company's structure. The Chief Executive Officer and other persons delegated by the Board of Directors are responsible for implementing the Model within the Company.

monitors the adequacy and implementation of the Model approved by the Board of Directors, periodically reporting its findings to the Board of Directors.

The Harmont & Blaine Model consists of the following documents:

- Descriptive document of the Organization, Management and Control Model *pursuant to* Legislative Decree 231/2001;
- Code of Ethics;
- The descriptive document of Harmont & Blaine's Organization, Management and Control Model is composed of a General Section, a Special Section, a technical annex, and an annex containing the crime risk sheets. Specifically: in the General Part, a description relating to:
 - To the reference regulatory framework;
 - To the corporate reality (Harmont & Blaine's *governance system and organizational structure*);
 - To identify and appoint the Supervisory Body of Harmont & Blaine, specifying its powers, duties, and information flows;
 - To the function of the disciplinary system and the related sanctioning apparatus;
 - To the training and communication plan to be adopted in order to ensure knowledge of the measures and provisions of the model;
 - To the criteria for updating and adapting the model;
- In the Special Part, a description relating to:
 - To the types of crimes that determine the administrative liability of entities;
 - To the sensitive processes/activities and related control *protocols* (so-called standards) for the crimes that the Company has decided to take into consideration based on the characteristics of its business.
- In the technical annex, a description:
 - Of the text of Legislative Decree 231/2001;

- Of the crimes provided for by Legislative Decree 231/2001.
- The annex includes the crime risk sheets prepared for each key subject, containing:
 - Mapping of sensitive processes and activities;
 - Analysis and evaluation of the internal control system.

3.4 Extension of the Model within the Group

Harmont & Blaine operates independently in Italy and through subsidiaries in other countries in carrying out its core business activities.

That being said, Harmont & Blaine, which pursues the same principles and rules for its subsidiaries, will evaluate the methods of extending the Model to these companies with the necessary adjustments and in accordance with their respective management autonomy.

4. THE SUPERVISORY BODY PURSUANT TO LEGISLATIVE DECREE 231/2001

4.1 The Supervisory Body

A condition for exemption from liability under Article 6 of Legislative Decree 231/2001 is, among other things, having entrusted an internal body, with independent powers of initiative and control, with the task of overseeing the functioning and compliance with the models and ensuring their updating.

In order to fulfill the functions established by the aforementioned standard, the body must satisfy the following requirements:

- **Autonomy and independence:** as also specified in the Guidelines, the position of the Body within the Entity " *must guarantee the autonomy of the control initiative from any form of interference or conditioning by any member of the Entity and, in particular, by the management body* " ². The Body must therefore be inserted as a staff unit in a hierarchical position (the highest possible) with the provision of a report to the highest operational management of the company. Not only that, in order to guarantee the necessary autonomy of initiative and independence, " *it is also essential that the Supervisory Body is not assigned operational tasks. Otherwise, in fact, its objectivity of judgment as a body when carrying out checks on behavior and on the Model could be undermined* " ².
- **Professionalism:** This requirement refers to the specialized technical skills the Body must possess to perform the activities assigned to it by law. Specifically, the members of the Body must possess specific knowledge of any technique useful for carrying out inspections, consultancy, and analysis of the control system, as well as legal matters (particularly in the criminal and corporate sectors), as clearly specified in the Guidelines. Knowledge of risk analysis and assessment techniques, flowcharting of procedures and processes, methodologies for detecting fraud, statistical sampling, and the structure and methods of committing crimes is essential .
- **Continuity of action:** to ensure the effective implementation of the Organizational Model, the presence of a structure dedicated exclusively and full-time to supervisory activity is necessary.
- **Integrity:** The requirement of integrity, although not expressly defined by the legislator, can be defined according to the methods identified by our legislator in the Civil Code and the special laws applicable to the positions held by joint-stock companies (directors, members of the audit committee, etc.). By cross-referencing the relevant provisions, and choosing the most stringent provisions, it follows that the legal system would not recognize the requirements of integrity, for example, for those who:

² "Guidelines for the development of organizational, management, and control models" pursuant to Legislative Decree 8 June 2001, no. 231.

- They are temporarily banned or suspended from holding management positions in legal entities and businesses;
- They are in one of the conditions of ineligibility or forfeiture provided for by art. 2382 of the Civil Code;
- They have been subjected to preventive measures pursuant to Law No. 1423 of 27 December 1956 or Law No. 575 of 31 May 1965 and subsequent amendments and additions, without prejudice to the effects of rehabilitation;
- They were convicted, albeit with a conditionally suspended sentence, subject to the effects of rehabilitation:
 - ✓ For one of the crimes provided for in Title XI of Book V of the Civil Code (Companies and consortia);
 - ✓ For a non-negligent crime, for a period of not less than one year;
 - ✓ For a crime against public administration, against public faith, against property, against the public economy;
 - ✓ For one of the crimes provided for by the regulations governing banking, financial, securities, and insurance activities and by the regulations governing markets, securities, and payment instruments.

Therefore, as the body responsible for monitoring the functioning and compliance with the Model and ensuring its continuous updating, the Supervisory Body must:

- Be independent and in a third-party position with respect to those over whom he will carry out supervision;
- To be placed in the highest possible hierarchical position;
- Be endowed with autonomous powers of initiative and control;
- Be financially independent, through the availability of your own budget;
- Be free of operational duties;
- Guarantee continuity of action ;
- Possess the requirements of professionalism and integrity;
- Establish a systematic communication channel with company management and supervisory bodies.

4.2 The Supervisory Body of Harmont & Blaine

In compliance with the provisions of Article 6, paragraph 1, letter b) of Legislative Decree 231/2001, in accordance with the requirements of autonomy, independence, professionalism, and continuity of action just described, and in light of the recommendations of the most representative trade associations, *primarily* Confindustria, Harmont & Blaine has established its Supervisory Body (hereinafter, the "Supervisory Body") as a collegial body currently composed of two members, equipped with the knowledge and experience necessary to ensure effective operational control and supervision of the Model.

Harmont & Blaine's Supervisory Board was established by resolution of the Board of Directors on September 23 , 2015. The Supervisory Board holds a top-level position, reporting directly to the Board of Directors on its results, any critical issues that emerge, and any corrective and improvement measures.

The Company's Board of Directors guarantees the Supervisory Body autonomy of initiative and freedom to monitor the Company's activities at risk of crime, in order to encourage compliance with the law and the Model and allow for the immediate investigation of violations. However, the general obligations of management and supervision of subordinate personnel, including for the purposes of compliance with the provisions of this Model, remain in place, as formally assigned to the corporate organization.

The general principles regarding the establishment of the Supervisory Body, as well as the operating rules for its functioning, are set out in the Supervisory Body Regulations, which are an integral part of the Model.

The appointment of the Supervisory Body is subject to the subjective eligibility requirements indicated here and reported in the Supervisory Body Regulations. Specifically, the following impediments must not exist at the time of appointment:

- Conflicts of interest, even potential ones, with the Company that could compromise the independence required by the role and duties of the Body;
- Ownership, direct or indirect, of shareholdings of such a size as to permit the exercise of control or a dominant influence over the ordinary shareholders' meeting of the Company;
- Public employment relationship with central or local administrations in the three years preceding the appointment as a member of the Supervisory Body;
- With reference to the requirements of integrity, the following cannot be elected members of the Supervisory Body and, if they are, they necessarily and automatically lose their position:
 - Those who find themselves in the conditions set out in Article 2382 of the Civil Code, that is, those who are incapacitated, interdicted, bankrupt or sentenced to a penalty that involves disqualification, even temporary, from holding public office or the incapacity to hold managerial positions;
 - Those who have been subjected to preventive measures ordered by the judicial authority pursuant to Law No. 1423 of 27 December 1956 (Law on preventive measures against persons dangerous to public safety and morality) or Law No. 575 of 31 May 1965 (Law against the Mafia);
 - Those who have been convicted following a sentence even if not yet final, or issued pursuant to articles 444 et seq. of the Criminal Code, or even with a conditionally suspended sentence, without prejudice to the effects of rehabilitation:
 - ✓ For one of the crimes provided for in Title XI of Book V of the Civil Code (Criminal provisions relating to companies and consortia) and in Royal Decree no. 267 of 16 March 1942 (regulations on bankruptcy, preventive settlements, controlled administration and compulsory administrative liquidation);
 - ✓ a prison sentence of not less than one year for one of the crimes provided for by the regulations governing banking, financial, securities, insurance activities and by the regulations regarding markets and securities, payment instruments (these include, by way of example and not limited to, the crimes of banking and financial abuse pursuant to Articles 130 et seq. of the Consolidated Banking Act, the crimes of counterfeiting money, spending and introducing into the State, by prior agreement, counterfeit money pursuant to Article 453 of the Criminal Code, the crimes of fraudulent damage to insured assets and fraudulent mutilation of one's own person pursuant to Article 642 of the Criminal Code);
 - ✓ For a crime against public administration, or to imprisonment for a term of not less than one year for a crime against public faith, against property, against public order, against the public economy or for a crime relating to tax matters;
 - ✓ To imprisonment for a term of not less than two years for any non-culpable crime;
 - ✓ In any case and regardless of the severity of the penalty for one or more of the crimes specifically provided for by the Decree;
 - Those who have held the position of member of the Supervisory Body within companies against which the sanctions provided for by art. 9 of the Decree have been applied, unless 5 years have passed since the definitive imposition of the

- sanctions and the member has not incurred a criminal conviction, even if not definitive;
- Those against whom the additional administrative sanctions provided for by art. 187 quater TUF (Legislative Decree no. 58/1998) have been applied;
- Those who have been sent to trial, pursuant to Articles 416 et seq. and 429 of the Code of Criminal Procedure, for one of the above-mentioned crimes pending the relevant proceedings.

The revocation of the Supervisory Body's powers and the assignment of such powers to another individual may only occur for just cause, including those related to organizational restructuring of the Company, through a specific resolution of the Board of Directors and with the approval of the Board of Statutory Auditors. The following constitute grounds for revocation for just cause:

- The loss of eligibility requirements;
- Serious negligence or failure to perform duties related to the position (such as, for example, failure to perform the activity in good faith and with the diligence of a good father; failure or delay in responding to the Board of Directors regarding any requests relating to the performance of supervisory and control activities);
- Failure to attend two or more meetings, even non-consecutive ones, without justifiable reason within twelve consecutive months, as well as the failure to meet the requirements of integrity;
- Failure or insufficient supervision by the Supervisory Body – pursuant to Article 6, paragraph 1, letter d), of Legislative Decree 231/2001 resulting from a final conviction issued against the Company pursuant to Legislative Decree 231/2001;
- The assignment of operational functions and responsibilities within the company organization that are incompatible with the requirements of autonomy, independence, and continuity of action inherent to the Organization.

In particularly serious cases, the Board of Directors may, however, order – after hearing the opinion of the Board of Statutory Auditors – the suspension of the powers of the Supervisory Body and the appointment of an *interim Body*.

In carrying out its assigned tasks, the Supervisory Body may benefit—under its direct supervision and responsibility—from the collaboration of all Company functions, leveraging their respective expertise and professionalism. In any case, responsibility for the activities performed on behalf of the Body falls to the Body itself.

This power allows the Supervisory Body to ensure a high level of professionalism and the necessary continuity of action.

By way of example, the Supervisory Body may coordinate with:

- The structure responsible for human resources management (for example, in relation to the implementation of the staff communication and training plan, the implementation of the disciplinary system and the management of disciplinary proceedings);
- The various company functions (also through specific meetings), for the best monitoring of supervisory activities;
- The company functions involved, for the implementation of any implementation measures necessary to comply with the provisions of Decree 231/01;
- the Chief Executive Officer and other persons delegated by the Board of Directors and the heads of the relevant company functions, to evaluate the adoption of any disciplinary sanctions against employees;
 - The Board of Directors to evaluate the adoption of possible disciplinary sanctions against "top management";
 - The competent legal affairs structure (for example, for the interpretation of the legislation and the examination of any updates, as well as of relevant case law);

- The structure responsible for administration and finance (for example, with regard to the control of financial flows).

Furthermore, the Board of Directors has provided the Supervisory Body with resources—in terms of spending power—adequate to support it in its assigned tasks and to achieve results consistent with the functions assigned to it, through the annual allocation of an annual budget.

The methods of quantification, funding, operation and reporting of this fund are described in the Supervisory Body Regulation.

4.3 Functions and powers of the Supervisory Body

The activities carried out by the Supervisory Body cannot be audited by any other body or structure of the Company, although the management body is in any case required to monitor the adequacy of its operations, as it is the management body that bears ultimate responsibility for the functioning and effectiveness of the Model.

The Supervisory Body is granted the initiative and control powers necessary to ensure effective and efficient supervision of the functioning and compliance with the Model, as established by Article 6 of Legislative Decree 231/2001. Specifically, the Supervisory Body is entrusted with the following responsibilities for the performance and exercise of its duties:

- Verify the persistence over time of the efficiency and effectiveness requirements of the Model;
- Maintain, develop, and promote the ongoing updating of the Model, formulating, where necessary, proposals to the management body for any updates and adjustments to be implemented through amendments and/or additions that may become necessary as a result of: i) violations of the Model's provisions; ii) periodic review of the Model, including in relation to changes to the Company's internal structure and/or the methods of carrying out business activities; iii) legislative changes regarding the administrative liability of entities for administrative offenses resulting from criminal offenses; iv) outcome of audits;
- Ensure the periodic updating of the system for identifying, mapping and classifying sensitive activities;
- Maintain constant contact with the auditing firm, safeguarding its necessary independence, and with the other consultants and collaborators involved in the effective implementation of the Model;
- Detect any behavioral deviations that may emerge from the analysis of information flows and the reports to which the managers of the various functions are required to submit;
- Promptly report to the management body, for appropriate action, any confirmed violations of the Model that may lead to the Company becoming liable;
- Manage relationships and ensure the flow of relevant information to the Board of Directors and the Board of Statutory Auditors;
- Regulate its own functioning also through the introduction of a regulation of its activities which governs, among other things, the resources available, the convening, voting and resolutions of the Body itself;
- Promote and define initiatives for the dissemination of knowledge and understanding of the Model, as well as for staff training and raising awareness of compliance with the contents of the Model;
- Promote and develop communication and training initiatives on the contents of Legislative Decree 231/2001, the impact of the legislation on company operations, and behavioral standards;

- Provide clarifications regarding the meaning and application of the provisions contained in the Model;
- Ensure the implementation of an effective internal communications system to enable the transmission of information relevant to the purposes of Legislative Decree 231/2001, guaranteeing the protection and confidentiality of the whistleblower;
- Develop and submit to the governing body for approval the expenditure estimate necessary for the proper performance of assigned duties. This expenditure estimate must, in any case, be the most comprehensive to ensure the full and proper performance of the role;
- Freely access or summon any function, unit, representative, or employee of the Company—without the need for prior consent—to request and acquire information, documentation, and data deemed necessary for carrying out the duties set forth in Legislative Decree 231/2001 from all employees and managers;
- Request relevant information from collaborators, consultants, agents and representatives external to the Company;
- Promote the activation of any disciplinary proceedings and propose any sanctions referred to in the following paragraph 4;
- Verify and evaluate the suitability of the disciplinary system pursuant to and for the purposes of Legislative Decree 231/2001, in collaboration with the Chief Executive Officer, the individuals delegated by the Board of Directors, and the competent human resources management structure;
- In the event of inspections, investigations, or requests for information from competent authorities aimed at verifying the Model's compliance with the provisions of Legislative Decree 231/2001, maintain relationships with the individuals responsible for the inspection activity, providing them with adequate information support.

The Chief Executive Officer of Harmont & Blaine and the persons delegated by the Board of Directors will ensure, on behalf of the Board of Directors, that the Supervisory Body's duties and powers are adequately communicated to the company structures.

4.4 Information obligations towards the Supervisory Body – Information flows and whistleblowing reports

The Supervisory Body (and in the event of a conflict of interest, the Legal & Compliance Function) must be promptly informed, through a specific internal communication system, of those acts, behaviors or events that may lead to a violation of the Model or which, more generally, are relevant for the purposes of Legislative Decree 231/2001 and of those acts, behaviors or events that may constitute further violations subject to whistleblowing reports³ provided for by Legislative Decree 24/2023 "Implementation of Directive (EU) 2019/1937

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- a) **unlawful acts** falling within the scope of the European Union or national acts listed in the Annex to Legislative Decree 24/2023 or the national acts implementing the European Union acts listed in the Annex to Directive (EU) 2019/1937, even if not listed in the Annex to Legislative Decree 24/2023, **relating to the following sectors: public procurement; financial services, products and markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; protection of privacy and personal data protection and security of networks and information systems** ;

of the European Parliament and of the Council of 23 October 2019 on the protection of persons reporting breaches of Union law and laying down provisions regarding the protection of persons reporting breaches of national legislation ”.

The reporting obligations regarding any conduct contrary to the provisions of the Model fall within the broader duty of diligence and loyalty of the employee pursuant to Articles 2104 and 2105 of the Italian Civil Code. Specifically, individuals who become aware of violations of the Model or risky situations must promptly notify the Supervisory Body (and, in the event of a conflict of interest, the Legal & Compliance Department). If the crime is not yet committed, they must also immediately take action to prevent the action or event from occurring, in order to obtain exemption from liability for the Company pursuant to Article 26, paragraph 2 of Legislative Decree no. 231.

The organization of a structured information flow represents a tool for ensuring the effectiveness and continuity of the supervisory activity on the suitability and effective implementation of the Model, as well as for the subsequent identification of the causes that made any violation of the Model possible.


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Persons who decide to report a violation must follow the procedures set out in the Whistleblowing Procedure.

In particular, internal reports can be made in the following ways:

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- b) acts or omissions **affecting the financial interests of the Union as referred to in Article 325 of the Treaty on the Functioning of the European Union** as specified in relevant secondary legislation of the European Union;
 - c) acts or omissions affecting the internal market, **as referred to in Article 26(2) of the Treaty on the Functioning of the European Union**, including infringements of European Union rules on competition and State aid, as well as infringements affecting the internal market related to acts which infringe corporate tax rules or arrangements the purpose of which is to obtain a tax advantage which defeats the object or purpose of the applicable corporate tax law;
 - d) acts or behaviors **that frustrate the object or purpose of the provisions** of the Union acts in the areas indicated in the previous points.

<ul style="list-style-type: none"> ▪ paper mail address <p> <i>It is necessary that the Internal Reporting be placed in <u>two sealed envelopes</u>: the first with the identifying data of the Reporter together with a photocopy of the identification document; the second with the Report. Both must then be placed in a <u>third sealed envelope marked "confidential" on the outside for the Report Manager, specifying his role.</u></i></p>	<ul style="list-style-type: none"> - at Harmont & Blaine SpA Strada Statale 87 km.16,460 zona asi - 80023, Caivano (NA), Italy - reserved for the Harmont & Blaine Supervisory Body. <p>In case of conflict of interest:</p> <ul style="list-style-type: none"> - at Harmont & Blaine SpA Strada Statale 87 km.16,460 zona asi - 80023, Caivano (NA), Italy - reserved for the Legal & Compliance Function of Harmont & Blaine.
<ul style="list-style-type: none"> ▪ orally through a direct meeting with the Reporting Manager 	<ul style="list-style-type: none"> - With the Harmont & Blaine Supervisory Body; meeting to be arranged by email to the following address: organismodivigilanza@harmontblaine.com <p>In case of conflict of interest:</p> <ul style="list-style-type: none"> - With the Legal Function & Compliance of Harmont&Blaine; meeting to be scheduled by email to the following address: legal@pec.harmontblaine.it

The prohibition of retaliation is set forth in Article 17 of Legislative Decree 24/2023, which is hereby incorporated into its entirety ⁴. Any action taken in violation of this prohibition is void.

In addition to the reports relating to general violations described above, company functions operating in sensitive areas must send the Supervisory Body at the following email address: organismodivigilanza@harmontblaine.com: information regarding: the periodic results of the control activities carried out by them to implement the Model (summary *reports* of the activities performed, monitoring activities, final indicators, etc.), and any anomalies or

⁴Article 17, paragraph 1, " *The entities or persons referred to in Article 3 may not suffer any retaliation* " refers to:

- whistleblowers (as defined in the Whistleblowing Procedure);
- the facilitators (as defined in the Whistleblowing Procedure);
- people in the same work context (as defined in the Whistleblowing Procedure) as the whistleblower who are linked to them by a stable emotional or kinship relationship within the fourth degree;
- the reporter's work colleagues who work in the same work context as the reporter and who have a habitual and current relationship with the reporter;
- entities owned by the reporting person or for which the same persons work, as well as entities operating in the same work context as the aforementioned persons.

atypicalities found within the available information (an event that is not relevant when considered individually may be assessed differently if it is repetitive or extends over a specific area).

Such information may include, but is not limited to:

- Operations perceived as “risky” (for example: decisions relating to the request, disbursement and use of public funding, etc.);
- Provisions and/or information from judicial police bodies, or any other authority, indicating that investigations are underway, including against unknown persons, for crimes (and administrative offences) relevant to the administrative liability of entities and which may involve the Company;
- Requests for legal assistance submitted by employees in the event of legal proceedings being initiated against them and in relation to crimes relevant to the administrative liability of entities, unless expressly prohibited by the judicial authority;
- Reports prepared by managers of other company functions as part of their control activities and from which facts, acts, events or omissions with critical aspects with respect to compliance with the rules and provisions of the Model may emerge;
- Information relating to disciplinary proceedings carried out and any sanctions imposed (including measures taken against employees) or the decisions to archive such proceedings with the related reasons;
- Any other information which, although not included in the above list, is relevant for the purposes of correct and complete monitoring and updating of the Model.

4.4.1 Reporting of the Supervisory Body to the corporate bodies

The Supervisory Body reports on the implementation of the Model, the emergence of any critical issues, and the need for modifications. Two distinct *reporting lines* are provided :

- The first, on an ongoing basis, directly to the Board of Directors;
- The second, on a periodic basis, towards the Board of Statutory Auditors, if the critical aspects fall within the scope of the Board's competence.

As part of its *reporting activity* , the Supervisory Body prepares:

- At the end of the checks, minutes containing the results of the activities carried out will be submitted to the Board of Directors and the management involved;
- A summary report of the activities carried out in the current year (indicating in particular the checks carried out and their outcomes, any need to adapt the Model or procedures, etc.) and a plan of the activities planned for the duration of the Supervisory Body's mandate or on an annual basis, to be presented to the Board of Directors and Board of Statutory Auditors and to be carried out with the support of the dedicated structures;
- Immediately, a communication regarding the occurrence of extraordinary situations (for example: news of significant violations of the Model's contents, legislative changes regarding the administrative liability of entities, significant changes to the Company's organizational structure, etc.) and in the event of urgent reports received, to be submitted to the Board of Directors.

Meetings of the Supervisory Board and meetings with the corporate bodies to which it reports must be minuted, and copies of the minutes must be retained by the Supervisory Board. The Chief Executive Officer and those delegated by the Board of Directors must ensure the use, even if not exclusive, of suitable premises for meetings, hearings, and any other necessary activities. These premises must guarantee absolute confidentiality in the performance of the Supervisory Board's functions.

The Supervisory Body or individual members may be convened at any time by the aforementioned bodies or may submit a request to do so. The interested members of the Supervisory Body will subsequently explain the outcome of the meetings to the entire Supervisory Body.

5. DISCIPLINARY SYSTEM

5.1 System function disciplinary

For the Model to be effectively implemented, it is necessary to adopt a disciplinary system capable of sanctioning violations of its provisions. Given the seriousness of the crimes relevant to the administrative liability of entities, any failure to comply with the Model undermines the relationship of trust established with the employee, requiring disciplinary action to be taken, regardless of the progress and outcome of any criminal proceedings initiated by the judicial authorities, if the conduct to be censured constitutes a crime or administrative offense relevant to the administrative liability of entities.

5.2 Measures against subordinate workers

Compliance with the provisions and rules of conduct set forth in the Model and the Whistleblowing Procedure constitutes compliance by Harmont & Blaine employees with the obligations set forth in Article 2104, paragraph 2, of the Italian Civil Code; obligations of which the content of the Model itself represents a substantial and integral part.

Violation of individual provisions and rules of conduct set forth in the Model and/or in the Whistleblowing Procedure by Harmont & Blaine employees always constitutes a disciplinary offence.

Please note that these employees are subject to the National Collective Labor Agreement for employees in the textile industry and for employees in the tertiary and commercial sectors (hereinafter simply "CCNL").

The measures indicated in the Model and in the Whistleblowing Procedure, the failure to comply with which is intended to result in sanctions, are communicated via an internal circular (including electronic means) to all employees, also posted in a place accessible to all and binding on all employees of the Company.

Disciplinary measures may be imposed against Harmont & Blaine employees, in accordance with Article 7 of Law No. 300 of May 20, 1970 (the "Workers' Statute") and any applicable special regulations.

For non-managerial employees, these measures are those provided for by the disciplinary provisions of the National Collective Bargaining Agreement, and specifically, depending on the seriousness of the infringements:

- Verbal reprimand ;
- Reprimand written ;
- Fine;
- Suspension from work and pay;
- Dismissal for just cause (with or without notice).

Upon any reported violation of the Model and/or the Whistleblowing Procedure, disciplinary action will be initiated to determine the violation. Specifically, during the investigation phase, the employee will be notified of the charge and will be granted a reasonable time to respond and defend themselves. Once the violation is ascertained, the offender will be subject to a disciplinary sanction commensurate with the seriousness of the violation and any repeat offenses.

It is understood that the procedures, provisions, and guarantees set forth in Article 7 of the Workers' Statute and the National Collective Bargaining Agreement (CCNL) regarding disciplinary measures will be respected.

With regard to the investigation of violations, disciplinary proceedings, and the imposition of sanctions, the powers already conferred, within the limits of their respective delegations and responsibilities, to the *management* of Harmont & Blaine remain valid.

The Chief Executive Officer, the General Manager of Operations, and the Group Human Resources Manager are jointly responsible for the concrete application of the disciplinary measures described above. They will impose sanctions upon notification from the Supervisory Body, also after consulting the superior of the perpetrator of the censured conduct.

The Supervisory Body must receive timely information on any disciplinary proceedings against an employee for violation of this Model and/or the Whistleblowing Procedure, starting from the moment the disciplinary complaint is filed, for the purpose of assessing its responsibilities.

5.2.1 Violations of the Model and/or the Whistleblowing Procedure and related sanctions

Without prejudice to Harmont & Blaine's obligations under the Workers' Statute, the behaviors that constitute violations of the Model and/or the Whistleblowing Procedure, accompanied by the related sanctions, are the following:

- 1) **verbal reprimand** is issued to any employee who violates any of the internal procedures established by the Model (for example, failing to comply with the prescribed procedures, failing to provide the Supervisory Body with the required information, failing to carry out checks, etc.) and/or the provisions of the Whistleblowing Procedure, or who behaves in a manner that does not comply with the provisions of the Model itself while performing activities in sensitive areas. Such behavior constitutes a failure to comply with the instructions issued by the Company.
- 2) **written reprimand** is issued to any employee who repeatedly violates the procedures established by the Model and/or the provisions of the Whistleblowing Procedure, or who, while performing activities in sensitive areas, behaves in a manner that does not comply with the provisions of the Model. Such behavior constitutes a repeated failure to comply with the instructions issued by the Company.
- 3) A **"fine" is imposed** on any employee who, by violating the internal procedures established by the Model and/or the provisions of the Whistleblowing Procedure, or by engaging in behavior that does not comply with the provisions of the Model while performing activities in sensitive areas, exposes the integrity of company assets to a situation of objective danger. Such behavior, carried out in violation of the instructions issued by the Company, creates a situation of danger for the integrity of the Company's assets and/or constitutes acts contrary to the Company's interests.
- 4) **, by violating the internal procedures set forth in the Model and/or the provisions of the Whistleblowing Procedure, or by adopting behavior inconsistent with the provisions of the Model while carrying out activities in sensitive areas,** causes damage to the Company by committing acts contrary to its interests, or the employee who repeats the violations referred to in points 1, 2, and 3 more than three times in the calendar year, will incur the "suspension from work and pay" measure. Such behavior, carried out due to failure to comply with the provisions issued by the Company, causes damage to the Company's assets and/or constitutes acts contrary to its interests.
- 5) **"dismissal for just cause with notice"** provision applies to any employee who, while performing activities in sensitive areas, adopts conduct that does not comply with the provisions of the Model and/or the provisions of the Whistleblowing Procedure and is unequivocally aimed at committing a crime relevant to the administrative liability of entities, as well as any employee who reoffends for more than three times in a calendar year in the offences referred to in point 4. Such conduct constitutes a serious failure to

comply with the instructions issued by the Company and/or a serious violation of the employee's obligation to cooperate in the prosperity of the Company.

- 6) **Legislative** Decree 231/2001, will be subject to the "just cause dismissal without notice" provision. Such conduct radically undermines the Company's trust in the employee, constituting serious moral and/or material harm to the company.

The type and extent of each of the above-mentioned sanctions will also be applied taking into account:

- Of the intentionality of the behavior or of the degree of negligence, imprudence or incompetence with regard also to the foreseeability of the event;
- Of the worker's overall conduct, with particular regard to the existence or otherwise of previous disciplinary actions, within the limits permitted by law;
- Of the worker 's duties ;
- Of the functional position of the persons involved in the facts constituting the lack;
- Of the other particular circumstances accompanying the disciplinary offence.

Harmont & Blaine reserves the right to seek compensation for damages resulting from an employee's violation of the Model. Any compensation claimed will be commensurate with:

- At the level of responsibility and autonomy of the employee who committed the disciplinary offence;
- Any previous disciplinary actions against the same;
- To the degree of intentionality of his behavior;
- The severity of the effects thereof, meaning the level of risk to which the Company reasonably believes it has been exposed - pursuant to and for the purposes of Legislative Decree 231/2001 - as a result of the conduct criticized.

In the event of a violation of the provisions and rules of conduct contained in the Model by managers, Harmont & Blaine, once the responsibility of the perpetrator has been ascertained, will apply the most appropriate sanction against those responsible, in accordance with the provisions of the current National Collective Bargaining Agreement (CCNL) applicable to managers in the industrial sector. If the violation of the Model results in a subsequent breakdown of trust between the Company and the manager, the sanction will be dismissal for just cause. Such violations will be investigated and the resulting disciplinary proceedings initiated, in accordance with the provisions of the National Collective Bargaining Agreement (CCNL) and company procedures, with the involvement of the Supervisory Body.

5.3 Measures in the comparisons of the administrators

In the event of violations of the provisions and rules of conduct of the Model and/or the Whistleblowing Procedure by Directors, the Company, with the involvement of the Supervisory Body, will take appropriate measures to adopt the most suitable measures provided by law.

5.4 Measures against mayors

In the event of violations of the provisions and rules of conduct of the Model and/or the Whistleblowing Procedure by one or more auditors, the Board of Directors, at the request of the Board of Statutory Auditors and/or the Supervisory Body, shall convene a Shareholders' Meeting to adopt the most appropriate measures provided by law.

5.5 Measures against business partners, agents, consultants, collaborators , suppliers

Contracts and agreements entered into or to be entered into with commercial *partners* and agents, consultants, external collaborators, suppliers, or other parties having contractual

relationships with the Company must include specific clauses stating that any violation of the provisions and rules of conduct set forth in the Model and the Code of Ethics applicable to them and/or the Whistleblowing Procedure, or any commission of crimes (and administrative offenses) relevant to the administrative liability of entities, will result in termination of the contractual relationship, without prejudice to any claims for compensation if such conduct results in damages to the Company, as in the case of a judge applying the sanctions provided for by Legislative Decree 231/2001. Similar measures may be provided for intra-group service contracts.

6. TRAINING AND COMMUNICATION PLAN

6.1 Premise

Harmont & Blaine intends to ensure widespread dissemination, both within and outside its organization, of the principles and contents of the Model and the Whistleblowing Procedure.

In particular, Harmont & Blaine's objective is to facilitate and promote awareness of the Model and the Whistleblowing Procedure not only among its own employees but also among all those who, while not formally employed, work—in Italy or abroad—to achieve Harmont & Blaine's objectives under contractual relationships.

Communication and training activities, which vary depending on the position and role of the recipients, are, in any case, based on principles of completeness, clarity, accessibility, and continuity. This ensures that the various recipients are fully aware of the corporate regulations they are required to comply with and the ethical standards that must guide their behavior.

The Supervisory Body coordinates and monitors communication and training activities.

6.2 Employees and members of corporate bodies

Each employee is required to:

- Gain awareness of the contents of the Model and the Whistleblowing Procedure;
- Know the operating methods with which your business must be carried out;
- Actively contribute, in relation to one's role and responsibilities, to the effective implementation of the Model, reporting any deficiencies found therein.

The Model and the Whistleblowing Procedure, as well as any updates thereto, are formally communicated to all employees (including electronically), with the obligation to view them on the company intranet and to comply with them and the policies and operating procedures associated with the Model.

The Model and the Whistleblowing Procedure are also formally communicated (including via electronic means) to the members of the corporate bodies of Harmont & Blaine, who are obliged to read and comply with them.

The aforementioned communications are archived and stored by the Supervisory Body.

The documentation comprising the Model, the Code of Ethics (a descriptive document of the Model, information on the Company's organizational structures, activities, and company policies and procedures), and the Whistleblowing Procedure are made available to all employees on the Company's *intranet website*, as is the Disciplinary Code (in addition to being posted in a place accessible to all employees, pursuant to and for the purposes of Article 7, paragraph 1, of Law 300/1970 - Workers' Statute).

6.3 Others recipients

The communication of the contents of the Model and the Whistleblowing Procedure is also addressed to those third parties who have contractually regulated collaborative relationships with Harmont & Blaine or who represent the Company without dependencies (for example: commercial *partners*, agents and consultants, distributors, business brokers and other independent collaborators, suppliers, etc.).

To this end, Harmont & Blaine will communicate the contents of the Model and the Whistleblowing Procedure to third parties, and more generally to the market, by publishing the Model, the Code of Ethics, and the Whistleblowing Procedure on the company website. The most significant third parties will be required to sign, in their contracts or in a separate document, a declaration certifying their knowledge of the Model, the Code of Ethics, and the Whistleblowing Procedure adopted by the company, available on the company website, and their commitment to comply with the contents described therein.

6.4 Training activities

All employees, in ways that vary according to their level of involvement in activities identified as sensitive pursuant to Legislative Decree 231/2001, are required to participate in a specific training activity, which may also be held via distance learning (e-learning).

Harmont & Blaine pursues, through an appropriate training program aimed at all employees, continuous awareness of issues relating to the Model, in order to enable the recipients of such training to achieve full awareness of company directives and be able to fully comply with them.

Participation in training programs is mandatory. The Supervisory Board, through the Human Resources Department, collects and archives evidence/certificates relating to actual participation in said training programs. Furthermore, the Company guarantees:

- Organizing, whenever deemed necessary, information sessions to illustrate any updates and changes to the Model. Company employees and managers, the CEO, and, where appropriate, third parties collaborating in any capacity with Harmont & Blaine and its affiliated and controlled companies will be invited to attend. Minutes of the meetings will be drawn up, detailing the participants and the topics discussed.
- The periodic organization of internal study meetings aimed at explaining and implementing a corporate culture based on respect and valorization of the Model.

7. ADOPTION OF THE MODEL – CRITERIA FOR UPDATING AND ADAPTATION OF THE MODEL

7.1 Checks and inspections on the Model

The Supervisory Body draws up a document describing its supervisory activities through which it broadly plans its activities, including: a calendar of activities to be carried out during the Supervisory Body 's mandate or each individual year , the determination of the inspection schedules, the identification of analysis criteria and procedures, and the possibility of carrying out unscheduled checks and inspections.

To implement the plan and carry out its activities, the Supervisory Body relies on the support of internal Company structures with specific expertise in the corporate sectors subject to control from time to time, as well as external consultants for the execution of the technical operations necessary for the performance of the control function.

Should the Company decide to use external consultants, they must always report the results of their work to the Supervisory Body.

During audits and inspections, the Supervisory Body is granted the broadest powers to effectively carry out the tasks assigned to it.

7.2 Update and adaptation

The Chief Executive Officer and the persons delegated by the Board of Directors shall be responsible for updating the Model and adapting it to any changes and/or additions that may become necessary as a result of:

- Violations of the provisions of the Model;
- Periodic review of the Model, including in relation to changes in the Company's internal structure and/or the ways in which business activities are carried out;
- Legislative changes regarding the administrative liability of entities for administrative offenses resulting from crimes;
- Outcome from the checks .

Once approved, the amendments and instructions for their immediate implementation are communicated to the Supervisory Body, which, in turn, promptly implements the amendments, requesting the Company to ensure the correct communication of their contents both internally and externally.

The Supervisory Body also provides, through a specific report, information to the Board of Directors regarding the outcome of the activity undertaken in compliance with the updating and/or adaptation of the Model.

The Supervisory Body retains, in any case, specific duties and powers regarding the oversight, development, and promotion of the ongoing updating of the Model. To this end, it formulates observations and proposals regarding the organization and control system to the relevant corporate structures or, in particularly significant cases, to the Board of Directors.

Upon presentation of the annual summary report, the Supervisory Body submits to the Board of Directors a specific information note detailing the changes made pursuant to the mandate received, so that the Board may ratify them.

In any case, the Board of Directors remains solely responsible for deciding on updates and/or adjustments to the Model due to the following factors:

- Intervention of regulatory changes regarding the administrative liability of entities;
- Identification of new sensitive activities, or changes to those previously identified, possibly connected to the start-up of new business activities;
- Formulation of observations by the Ministry of Justice pursuant to art. 6 of Legislative Decree 231/2001 and art. 5 et seq. of Ministerial Decree no. 201 of 26 June 2003;

- Commission of crimes (and administrative offences) relevant for the purposes of the administrative liability of entities by the recipients of the provisions of the Model or, more generally, of significant violations of the Model;
- Identification of deficiencies and/or gaps in the Model's provisions following checks on its effectiveness.
 - The Model is, in any case, subject to a periodic review process every three years to be arranged by resolution of the Board of Directors.