

INSIT INDUSTRIA S.p.a.

MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL

Pursuant to Legislative Decree No. 231 of June 8, 2001.

(version approved by the Board of Directors on February 21, 2025)

GENERAL PART.

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1. CORPORATE CRIME LIABILITY: GENERAL PRINCIPLES AND CRITERIA FOR IMPUTATION.

1.1 The regulation of administrative liability of legal persons, companies and associations, according to the legislation introduced by Legislative Decree 231/2001.

With the approval of Legislative Decree No. 231 of June 8, 2001 (hereinafter referred to as the "Decree"), which implements Delegated Law No. 300 of September 29, 2000, a form of direct liability of Entities was introduced for the first time in Italy in event that certain crimes are committed in their interest or to their advantage by persons functionally related to them.

The legislation was passed in implementation of the OECD Convention of Dec. 17, 1997 (aimed at *combating bribery of foreign public officials in international business transactions*), which enshrined the obligation for member states to provide for forms of direct liability for collective entities in the event of the commission of criminal offenses, based on the empirical consideration that, on many occasions, illegal conduct committed in context of business activity is not the result of the private initiative of the individual agent, but falls within scope of a corporate policy.

With reference to the nature of administrative liability under Legislative Decree 231/01, the Illustrative Report to the decree emphasizes the *"birth of a tertium genus that combines the essential features of the criminal and administrative systems in an attempt to reconcile the reasons of preventive effectiveness with those, even more inescapable, of maximum guarantee."*

The Decree has, in fact, introduced into our legal system a form of corporate liability of an "administrative" nature - in deference to dictate of Article 27 of the Constitution - but with numerous points of contact with a criminal liability.

In other words, it is an "administrative" liability *sui generis*, since, the general principles governing the matter (Articles 2 and 3 of Legislative Decree No. 231 of June 8, 2001) are those proper to criminal law.

Liability is recognized in the face of the violation of criminal offenses and is ascertained by the criminal judge at the outcome of a proceeding punctuated according to the cadences of the criminal trial rite (the rules of which are expressly recalled, insofar as compatible, by Article 34 Legislative Decree 231/01) of which the guarantees are substantially reposed.

Further argument in favor of the substantially criminal nature of the liability provided for in Legislative Decree 231/01 is drawn from the particular afflictiveness of the penalty apparatus provided therein.

In essence, the legislation thus interpreted aims to involve, in the punishment of certain offenses, the assets of companies and, ultimately, the economic interests of shareholders, , until the enactment of the Decree under review, did not suffer direct consequences from the commission of criminally relevant offenses committed by directors and/or employees.

The administrative liability of corporations is independent of the criminal liability of the natural person who committed the crime and stands alongside latter.

From this it follows that the Entity can be held liable and punished even if the perpetrator has not been identified or is found to be unaccountable.

Therefore, in all hypotheses in which, due to the complexity of the internal organizational structure, it is not possible to ascribe criminal liability to a specific person, and nevertheless the commission of a crime is ascertained, the Entity will have to answer for it - all the conditions of the law being met - at the administrative level.

According to what can be read in the Governmental Report to Legislative Decree 231/01, the failure to identify the natural person who committed the crime-a typical phenomenon in the context of corporate liability-is among the hypotheses in relation to which the need to sanction the liability of Entities was most felt.

According to the provisions of the second paragraph of Article 8 of Legislative Decree 231/01, the Entity's administrative liability also exists in the event that the predicate offense committed by the natural person is extinguished for cause other than amnesty (e.g., in the event of an intervening statute of limitations).

1.2 Offenders.

The perpetrators of the offense from which the liability of the entity may arise may be:

Pursuant Article 5 of Legislative Decree 231/01, the Entity is liable for crimes committed in its interest or to its advantage by:

1. Subjects, so-called "apical", indicated in paragraph 1 letter a) of Article 5 Legislative Decree 231/01, namely:

- Persons holding representative, administrative or managerial positions in the Entity;
- persons who hold representative, administrative or managerial positions in an organizational unit of the Entity with financial and functional autonomy;
- persons exercising, even de facto, management and control of the Entity itself.

2. Persons, so-called "subordinates," referred to in paragraph 1 letter b) of Article 5 of Legislative Decree 231/01 and in particular:

- persons subject to direction or supervision one of top individuals.

In particular, the category of apical persons includes directors (whether vested with powers of representation or non-executive, independent or bound by an employment contract with the Entity), general managers, legal representatives, but also those who perform the same functions in an "organizational unit" of the Entity with financial and functional autonomy, such as, for example, division or establishment directors. More generally, all persons who, although not endowed with formal functional qualifications, in fact perform administrative or management functions.

Legislative Decree No. 231 of June 8, 2001 does not regulate the case of delegation of functions: even in this case, the assessment regarding subjective qualification will have to take place in concrete terms, taking into account the powers actually delegated and exercised.

The fact that the delegator retains an obligation to supervise and oversee the delegate's work does not prevent the latter's status as a top executive, and this is also in view of the fact that, pursuant to Article 5 of Legislative Decree No. 231 of June 8, 2001, it is sufficient for the delegate to actually exercise functions that are even merely managerial and not necessarily administrative.

To the category of subordinates belong all those who are subject to the direction and supervision of top management and who, in essence, execute in the interest of the entity the decisions adopted by top management. All employees of the entity, as well as all those who act in the name of, on behalf of or in the interest of the entity, such as, by way of example, collaborators, para-employees, consultants, agents and representatives, can be brought under this category.

To be emphasized, the equalization - with respect to the persons who hold functions of representation, administration or management of the entity - of the persons who hold the same functions in an "*organizational unit with financial and functional autonomy*": this is, as is well known, an increasingly widespread figure in today's economic reality, especially within companies structured over several locations (as for *Insit Industria S.p.a.* with specific reference to the Montà plant), and this requires special attention in order to elaborate an organizational model that proves, in practice, to be truly effective. It will be verified, in the special section devoted to individual offenses, how it is necessary to make sure that every single professional figure potentially at risk of committing offenses within *Insit Industria S.p.a.* is monitored, through the preparation of appropriate procedures, in order to ensure appropriate control and effective supervision of those activities that are "sensitive" with a view to the potential commission of the offenses provided for by the Decree.

1.3

Criminal offenses. UPDATED

The entity can be held liable only in relation to certain crimes (*so-called predicate offenses*), identified by the Decree, as well as by laws that expressly refer to the Decree's regulations and are as follows:

Art. 24 Legislative Decree 231/2001 - Undue receipt of disbursements, fraud to the detriment of the State, a public body or the European Union for the purpose of obtaining public disbursements, computer fraud to the detriment of the State or a public body and fraud in public supplies		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Embezzlement to the detriment of the state (Article 316-bis of the Criminal Code). Undue receipt of disbursements to the detriment of the state (Article 316-ter of the Criminal Code). Disturbance of freedom of incantations (art. 353 c.p.) Disturbed freedom of the process of choosing a contractor (Article 353 bis of the Criminal Code). Fraud in public supply (Article 356 of the Criminal Code). Fraud to the detriment of the state or other public entity (art. 640, para. 2, no. 1, Criminal Code) Aggravated fraud for obtaining public funds (Article 640-bis of the Criminal Code). Aggravated computer fraud Art. 25 octies. 1 (art. 640-ter, Criminal Code). Fraud against the European Agricultural Fund (Art. 2 Law 898/86)	Up to five hundred shares (Two hundred to six hundred quotas if significant profit or damage of particular gravity is derived from the crime)	- Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods or services
Art. 24-bis Legislative Decree 231/2001 - Computer crimes and unlawful data processing.		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Unauthorized access to a computer or telecommunications system (Article 615-ter of the Criminal Code).		

Unlawful interception, obstruction or interruption of computer or telematic communications (Art. 617- quater c.p.)	One hundred to five hundred shares	- disqualification from carrying out activity - suspension or revocation of authorizations, licenses or concessions functional to the commission of the offence - ban on advertising goods or services
Installation of equipment to intercept, impede or interrupt computer or telematic communications (Art. 617-quinquies c.p.)		
Damage to computer information, data, and programs (Article 635-bis of the Criminal Code).		
Damage to information, data and computer programs used the state or other public agency or however of public utility (art. 635-ter penal code).		
Damage to computer or telematic systems (Art. 635-quater c.p.)		
Damage to computer or telematic systems of public utility (Art. 635-quinquies c.p.)		
Unauthorized possession and dissemination of access codes to computer or telematic systems (Article 615-quater of the Criminal Code)	Up to three hundred shares	- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense - Ban on advertising goods and services
Dissemination of computer equipment, devices or programs aimed at damaging or interrupting a computer or telecommunications system (Article 615-quinquies of the Criminal Code)		
Forgery of computer documents (Article 491-bis of the Criminal Code).	Up to four hundred shares	- ban on contracting with the P.A. - exclusion benefits and revocation of
Computer fraud of the person providing services		
Of certification of electronic signature (art. 640- quinquies c.p.)		those that may have already been granted - ban on advertising goods or services

Violation of the regulations on the Perimeter of National Cybersecurity (Art. 1 para. 11 D.L. 105/2019)		
Art. 24-ter legislative decree 231/2001 - Organized crime offenses.		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Conspiracy directed at the commission of crimes against individual freedom and in field of illegal immigration (art. 416, para. 6, Criminal Code).	Four hundred to one thousand shares	For at least one year: - disqualification from carrying out activity (definitive disqualification if the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the predicate crime) - suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban advertising goods or services
Mafia-type associations, including foreign ones (Article 416-bis of the Criminal Code).		
Political-mafia electoral exchange (Article 416-ter of the Criminal Code).		
Kidnapping for the purpose of robbery or extortion (art. 630, Criminal Code)		
Other crimes committed by taking advantage of the conditions provided for in Article 416-bis of the Criminal Code or in order to facilitate mafia-type associations		
Association for the purpose of illicit trafficking in narcotic drugs or psychotropic drugs (Art. 74 Presidential Decree. 309/1990)	Three hundred to eight hundred shares	
Criminal conspiracy (Art. 416, co. 1-5, c.p.)		
Weapons crimes (art. 407, para. 2(a)(5), Criminal Code)		
Art. 25 Legislative Decree 231/2001 - Embezzlement, misappropriation of money or movable property, extortion, undue inducement to give or promise benefits, bribery		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Corruption for the exercise of function (Article 318 of the Criminal Code).		

Liability of the corruptor for the performance of the function (Art. 321 c.p.)	Up to two hundred quotas (including for cases of bribery of public servant and international bribery)	NO
Incitement to bribery for exercise of function (Art. 322, para. 1 and 3, c.p.)		
Crimes against the PA committed international public officials or public service officers (art. 322 bis c.p.)		
Trafficking in unlawful influence (Article 346 bis of the Criminal Code).		
Embezzlement in case of offending EU financial interests (art. 314, Criminal Code)		
Misappropriation of money or movable property (Article 314 bis of the Criminal Code).		
Embezzlement by profiting from the error of others case of offending EU financial interests (Article 316 of the Criminal Code) Abuse of office in case of offense EU financial interests (art. 323 c.p.)		
Bribery for an act contrary to official duties (Article 319 c.p.)	Two hundred to six hundred quotas (also for cases of bribery of public servant and international bribery)	Not less than 4 years and not more than 7 years for those Art.5 co.1(a), not less than 2 years and not more than 4 years for those under Art.5 co.1(b): - disqualification from carrying out activity - suspension or revocation of the, authorizations, licenses or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban advertising goods or services
Bribery in judicial proceedings (if the corrupt acts are committed to favor or harm a party to the proceedings) (Art. 319-ter, para. 1, c.p.)		
Liability of the briber for an act contrary to duty Of office (art. 321 c.p.)		
Incitement to bribery for an act contrary to the Official duties (art. 322, paras. 2 and 4, c.p.)		
Crimes against the PA committed international public officials or public service officers (Art. 322 bis c.p.)		
Concussion (art. 317 c.p.)		Not less than 4 years and not more than 7 years for the
Aggravated bribery for		

an act contrary to official duties if the entity has made significant profit (Art. 319 aggravated under Article 319-bis of the Criminal Code)	Three hundred to eight hundred quotas (also for cases of bribery of public servant and international bribery)	subjects Art.5 co.1 lett. a), not less than 2 years and not more than 4 years for subjects under Art.5 co.1 lett. b): - disqualification from carrying out activity (definitive disqualification if the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the predicate crime) - suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban advertising goods or services
Bribery in judicial proceedings (if someone is wrongfully sentenced to imprisonment) (Art. 319-ter, para. 2, c.p.)		
Undue inducement to give or promise benefits (Art. 319-quater c.p.)		
Liability of the briber for aggravated bribery for an act contrary official duties and for bribery in judicial acts (art. 321 c.p.)		
Crimes against the PA committed international public officials or public service officers (Article 322 bis of the Criminal Code)		
Art. 25-bis d.lgs. 231/2001 - Forgery of money, public credit cards, revenue stamps and identification instruments or signs		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Counterfeiting of coins, spending and introduction into the state, prior concert, of counterfeit money (art. 453 c.p.)	Three hundred to eight hundred shares	For no more than one year: - disqualification from carrying out activity (definitive disqualification if the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the predicate crime) - suspension or revocation of the, authorizations, licenses or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted
Alteration coins (art. 454 c.p.)	Up to five hundred shares	
Counterfeiting watermarked paper in use for the manufacture of public credit cards or revenue stamps (Art. 460 c.p.)		
Manufacture or possession ((of watermarks or instruments intended for the counterfeiting of currency, of revenue stamps or watermarked paper (Article 461 of the Criminal Code).		
Spending and introduction into the state, without concert, of counterfeit money (art. 455, Criminal Code)		
	The monetary penalties established for the offenses provided for in Articles 453 and 454, reduced by one-third to one-half	

Forgery of revenue stamps, introduction into the state, purchase, possession or putting into circulation of forged revenue stamps (Art. 459 c.p.)	The fines established in (a), (b) (c) reduced i one-third	- ban on advertising goods or services
Counterfeiting, alteration or use of trademark distinctive signs or patents, models and industrial designs (Art. 473 c.p.	Up to five hundred shares	
Introduction into the State and trade of products with false signs (Article 474 of the Criminal Code)		
Spending of counterfeit money received in good faith (Article 457 of the Criminal Code)	Up to two hundred shares	NO
Use of counterfeit or altered revenue stamps Received in good faith (art. 464, para. 2, c.p.)		
Use of counterfeit or altered stamps outside the cases of conspiracy to counterfeit or alter (art. 464, para. 1, Criminal Code)	Up to three hundred shares	NO
Art. 25-bis.1 Legislative Decree 231/2001 - Crimes industry and commerce		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Disturbing freedom of industry or commerce (Art. 513 Penal Code)	Up to five hundred shares	NO
Fraud in the exercise of trade (Article 515 of the Criminal Code).		
Sale of non-genuine foodstuffs as genuine (Article 516 of the Criminal Code)		
Sale of industrial products with false signs (Article 517 of the Criminal Code)		

Manufacture and trade of goods made by usurping industrial property rights (Article 517-ter of the Criminal Code)		
Counterfeiting of geographical indications or appellations of origin of agri-food products (Art. 517-<i>quater</i> c.p.)		
Unlawful competition with threats or violence (Article 513-bis of the Criminal Code).		- disqualification from carrying out activity (definitive disqualification if the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the predicate crime)
Fraud against national industries (Article 514 of the Criminal Code).	Up to eight hundred shares	- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban advertising goods or services
25-ter d.lgs. 231/2001 - Corporate Offenses		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
False corporate communications (art. 2621 civil code).	Two hundred to four hundred shares	NO
Misdemeanors - provided for in art. 2621 c.c. (art. 2621 bis c.c.)	One hundred to two hundred shares	NO
False corporate communications (art. 2622 civil code).	Four hundred to six hundred shares	NO
False statement in prospectus (art. 2623 1st paragraph c.c.)	One hundred to one hundred and thirty shares	NO
False prospectus (art. 2623, 2nd paragraph, Civil Code).	Two hundred to three hundred shares	NO
Transactions to the detriment of creditors (art. 2629 c.c.)	One hundred and fifty to three hundred and thirty shares	NO
Illegal allocation of		NO

profits and reserves (art. 2627 civil code).	One hundred to one hundred and thirty shares	
Improper distribution of corporate assets by liquidators (Article 2633 Civil Code).	One hundred and fifty to three hundred and fifty shares	
Illicit influence On the assembly (art. 2636 c.c.)		
Obstructing the performance duties Of public supervisory authorities (art. 2638, para. 1 and 2, c.c.)		
Obstruction of control causing damage to shareholders (Art. 2625, para. 2, Civil Code)	One hundred to one hundred and eighty shares	NO
Improper return contributions (art. 2626 c.c.)		
Illegal transactions on shares or quotas of the company or the parent company (Art. 2628 Civil Code)		
Fictitious capital formation (art. 2632 civil code).		
Market rigging (art. 2637 Civil Code).	Two hundred to five hundred shares	NO
Failure to disclose conflict of interest (Article 2629-bis of the Civil Code).		
Bribery among private individuals limited to the conduct of one who "gives or promises money or other utility" (art. 2635, para. 3, Civil Code).	Four hundred to six hundred shares	Disqualification sanctions Art. 9 co 2 d. l.vo. 231/2001
Incitement to bribery among private individuals (Art. 2635 bis c.c.)	Two hundred to four hundred shares	Disqualification sanctions art. 9 co 2 d. l.vo 231/2001
False or omitted statements for issuance of preliminary certificate required by the implementing regulations Directive 2019/2121	One hundred and fifty to three hundred shares	NO
Art. 25-quater Legislative Decree 231/2001 - Crimes for the purpose of-terrorism or subversion of the democratic order		

CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Terrorist or subversive crimes under the Criminal Code and special laws punishable by imprisonment of less than 10 years	Two hundred to seven hundred shares	For at least one year: - disqualification from exercising the activity (definitive disqualification if the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the offence-crime) - suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense - Ban on contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods and services.
Crimes for the purpose of terrorism or subversion provided for in the Criminal Code or special laws punishable by imprisonment of not less than 10 years or life imprisonment	Four hundred to one thousand shares	
Art. 25-quater.1 Legislative Decree 231/2001 - Practices of female genital mutilation		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Practices of female genital organ mutilation (583-bis c.p.)	Three hundred to seven hundred shares	For at least one year: - disqualification from carrying out activity (definitive disqualification if the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the predicate crime) - suspension or revocation of licenses, authorizations, accreditation (if it is an accredited private entity) or concessions functional to the commission of the offense - Ban on contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - prohibition of Advertise goods or services.
Art. 25-quinquies d.lgs. 231/2001 - Crimes against the individual personality		

CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Sexual acts with minors between the ages of fourteen and eighteen, in exchange for money or other consideration (art. 600-bis, para. 2, Criminal Code)	Two hundred to seven hundred quotas (even if related to pornographic material depicting images of minors or parts thereof)	NO
Child pornography - Offering or transferring child pornography, including by electronic means (art. 600-ter, paras. 3 and 4, Criminal Code)		
Possession of child pornography (Article 600-quater of the Criminal Code).		
Solicitation of minors (Article 609-undecies of the Criminal Code).		
Child prostitution (Art. 600-bis, para. 1, Criminal Code).	Three hundred to eight hundred shares	For at least one year: - disqualification from carrying out the activity (definitive disqualification if the entity or one of its organizational units is permanently used for the sole or predominant purpose of enabling or facilitating the commission of the alleged crimes) - suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense - Ban on contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - Ban on advertising goods and services
Child pornography - Recruitment or use of minors for pornographic performances and distribution of child pornography, including virtual pornography (art. 600-ter, paras. 1 and 2, Criminal Code)		
Tourism initiatives aimed at the exploitation of child prostitution (Article 600 quinquies of the Criminal Code)		
Reduction or maintenance in slavery or servitude (art. 600, Criminal Code)	Four hundred to one thousand shares	
Trafficking in persons (Article 601 of the Criminal Code).		
Purchase and alienation of slaves (Article 602 of the Criminal Code).		
Illegal intermediation and exploitation of labor (Article 603 bis of the Criminal Code)		
Art. 25-sexies d.lgs. 231/2001 - Market abuse		

PREDICATE OFFENSES		
PREDICATE OFFENSES	FINES	PROHIBITORY SANCTIONS
Abuse of inside information (Art. 184 Legislative Decree 58/1998)	Four hundred to one thousand quotas (but if the crimes have provided the entity with a significant product or profit, the penalty is increased up to ten times such product or profit)	NO
Market (Art. 185 Legislative Decree 58/1998)		
Art. 25-septies Legislative Decree 231/2001 - Manslaughter or serious or very serious injury committed in violation of regulations on the protection of health and safety at work		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Manslaughter committed in violation of Article 55, co. 2, Leg. 81/2008 (art. 589 c.p.)	A thousand quotas	For at least three months and not more than one year: - disqualification from carrying out activity - suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban advertising goods or services
Manslaughter committed in violation of occupational health and safety regulations (Art. 589 Penal Code)	Two hundred and fifty to five hundred shares	
Negligent personal injury committed in violation of occupational health and safety regulations (art. 590, para. 3, Criminal Code)	Not exceeding two hundred and fifty shares	For no more than six months: - disqualification from carrying out activity - suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods or services
Art. 25 octies d.lgs. 231/2001 - Receiving stolen goods, money laundering, use of money, goods or benefits of illicit origin, as well as self-laundering		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Receiving stolen goods (art. 648 Penal Code)	Two hundred to eight hundred dues (four hundred to one thousand dues if money, property or other utility)	For no more than two years: - disqualification from carrying out activity - suspension or

Money laundering (Article 648-bis of the Criminal Code).	come from a crime for which the penalty of imprisonment of more than five years in the maximum is established)	revocation of authorizations, licenses or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban advertising goods or services
Use of money goods or utilities of illicit origin (Article 648-ter of the Criminal Code)		
Self-laundering (Article 648b-1 of the Criminal Code).		
Art. 25-octies. / Legislative Decree 231/2001 - Crimes relating to non-cash payment instruments and fraudulent transfer of values.		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Misuse and forgery of payment instruments other than the cash (art. 493b c.p.)	Three hundred to eight hundred shares	Disqualification sanctions under Article 9 paragraph 2.
Possession and dissemination of computer equipment, devices or programs aimed at committing crimes regarding non-cash payment instruments (Article 493 quater of the Criminal Code)	Up to five hundred shares	
Fraudulent transfer of valuables (Article 512 bis of the Criminal Code).	Two hundred and fifty to six hundred shares	
Art. 25-novies d.lgs. 231/2001 - Copyright infringement crimes		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Criminal protection of rights of economic and moral use (171, co. 1, lett. a-bis and co. 3, L. 633/1941)	Up to five hundred shares	For no more than one year: - disqualification from carrying out the activity - suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense - Exclusion from benefits and revocation of any benefits already granted - Ban on advertising goods and services
Criminal protection of <i>software</i> and databases (art. 171-bis L. 633/1941)		
Criminal protection of audiovisual works (art. 171-ter L. 633/1941)		
Criminal liability related to unmarked media SIAE (art. 171-septies L.		

633/1941)		
Criminal protection of conditional access audiovisual transmissions (Article 171-octies I. 633/1941) (art.		
Art. 25-decies d.lgs. 231/2001 - Inducement not to make statements or to make false statements to the judicial authority		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Inducement not to make statements or to make false statements to judicial authorities (Article 377-bis of the Criminal Code).	Up to five hundred shares	NO
Art. 25-undecies d.lgs. 231/2001 - Environmental crimes		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Environmental pollution (art. 452 bis c.p.)	Two hundred and fifty to six hundred shares	Up to 1 year disqualification sanctions ex art. 9 paragraph 2
Environmental Disaster (Article 452c of the Criminal Code).	Four hundred to eight hundred shares	
Culpable crimes against the environment (Article 452 quinquies of the Criminal Code).	Two hundred to five hundred shares	NO
Association ex art. 416 c.p. aimed at committing one of the preceding crimes (art. 452 octies c.p.)	Three hundred to one thousand shares	NO
Trafficking and abandonment of highly radioactive material (Article 452 sexies of the Criminal Code).	Two hundred and fifty to six hundred shares	NO
Killing, destroying, capturing, taking, keeping specimens protected wild animal or plant species (Art. 727-bis c.p.)	Up to two hundred and fifty shares	NO
Destruction or deterioration of habitat within a protected site (art. 733- bis c.p.)	One hundred and fifty to two hundred and fifty shares	NO
Industrial wastewater discharge offenses.	One hundred fifty to two hundred fifty quotas (co. 3, 5, first sentence, and	NO

(Art. 137 Legislative Decree 152/2006)	13)	
Crimes related to discharge of industrial wastewater (Art. 137, Leg. 152/2006)	Two hundred to three hundred shares (co. 2, 5, second period, 11)	For not more than six months: - disqualification from carrying out the activity (definitive disqualification if the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the crime referred to in Article 260 of Legislative Decree 152/2006);
Organized activities for illegal waste trafficking (art. 452 quaterdecies, Criminal Code)*	Three hundred to five hundred shares (co. 1) Four hundred to eight hundred shares (co. 2)	- suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - prohibition of advertise goods and services
Offenses related to unauthorized waste management (Art. 256 Legislative Decree 152/2006)	Up to two hundred and fifty quotas (co. 1(a) and 6, first sentence) One hundred fifty to two hundred fifty quotas (co. 1, lett. b, 3 first period and 5) Two hundred to three hundred shares (co. 3, second sentence) Penalties are reduced by half in cases of non-compliance with the requirements contained or referred to in the permits, lack of requirements and conditions required for the registrations or communications.	In the case of paragraph 3, second sentence only, they apply for no more than six months: - disqualification from carrying out activity - suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods or services
Offenses related to site remediation (Art. 257, Leg. 152/2006)	Up to two hundred and fifty shares (co. 1) One hundred and fifty to two hundred and fifty shares (co. 2)	NO
Violation of reporting requirements, mandatory record keeping and forms (Art. 258, Leg. 152/2006)	One hundred fifty to two hundred fifty quotas (co. 4, second sentence)	NO
Illegal trafficking of waste (art. 259 d.lgs.	One hundred and fifty to two hundred and fifty shares	

152/2006)	(co. 1)	
Violations, irregularities, omissions related to the computer control system of the Waste traceability (Article 260-bis of Legislative Decree 152/2006)	One hundred and fifty to two hundred and fifty quotas (co. 6 and 7, second and third sentences, and 8, first sentence) Two hundred to three hundred shares (co. 8, second sentence)	
Crimes relating to the protection of endangered animal and plant species (l. 150/1992)	Up to two hundred and fifty quotas (Art. 1, para. 1, Art. 2, co. 1 and 2, art. 6, co. 4, art. 3-bis, co. 1 if imprisonment not exceeding one year provided) One hundred and fifty to two hundred and fifty quotas (Art. 1, co. 2, Art. 3-bis, co. 1 if imprisonment of not more than two years is prescribed) Two hundred to three hundred quotas (Art. 3-bis, co. 1 if imprisonment not exceeding three years is provided) Three hundred to five hundred quotas (Art. 3-bis, co. 1 if imprisonment of more than three years is prescribed)	NO
Ozone and atmosphere offenses (art. 3, co. 6, l. 549/1993)	One hundred and fifty to two hundred and fifty shares	NO
Offenses related to air protection and emission reduction in atmosphere (Art. 279, para. 5, Legislative Decree 152/2006)	Up to two hundred and fifty shares	NO
Involuntary pollution caused by ships (art. 9, co. 1, legislative decree 202/2007)		NO
Malicious pollution caused by ships or culpable pollution aggravated by the determination of permanent or otherwise damage to water (Art. 8, para. 1, and 9, co. 2, d.lgs. 202/2007)	One hundred and fifty to two hundred and fifty shares	For not more than six months: - disqualification from carrying out activity (definitive disqualification if the entity or one of its organizational units is permanently used for the sole or prevalent purpose of enabling or facilitating the commission of the crime referred to in Article 8 of Legislative Decree 202/2007) - suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense - Ban contracting with the P.A. - exclusion benefits and revocation of those possibly already
Malicious pollution aggravated by the determination of permanent or otherwise significant damage to water (Art. 8, co. 2, Legislative Decree 202/2007)	Two hundred to three hundred shares	

		granted - ban on advertising goods or services
Art. 25-duodecies Legislative Decree 231/2001 - Employment of third-country nationals whose stay is irregular		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Employment of foreign workers without a residence permit or with an expired, revoked, and cancelled residence permit, aggravated by the number of more than three, minor age, subjection particularly exploitative working conditions (Art. 22, co. 12-bis, Legislative Decree 286/1998)	One hundred to two hundred shares, within the limit of € 150,000.00	NO
Provisions against illegal immigration (promotion, direction, organization, financing or transportation of foreigners without a residence permit in the territory of the State (art. 12 co. 3 d. lgs 286/98 - introduced by L. 161/2017))	Four hundred to one thousand shares	For a duration of not less than one year: - disqualification from carrying out activity - suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods or services
Aggravating circumstance and penalty increase in special cases (art. 12 co. 3 bis and ter d. lgs 286/98 - introduced by L. 161/2017)		
Provisions against illegal immigration (aiding and abetting the stay of foreigners without residence permits in the territory of the state (Art. 12 para. 5 d. lgs 286/98 - introduced by L. 161/2017))		

Art. 25-terdecies Legislative Decree 231/2001 - Racism and Xenophobia.		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Propaganda and incitement or incitement to hatred on grounds of racial ethnic and religious discrimination (Article 604 bis of the Criminal Code)	Two hundred to eight hundred shares	Disqualification sanctions under Article 9 paragraph 2 for not less than 1 year
Art. 25-quaterdecies d.lgs. 231/2001 - Fraud in sports competitions, abusive gaming or betting and games chance exercised by means of prohibited devices		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Fraud in sports competitions (Art. 1 L. 401/89)	Up to two hundred and sixty quotas in relation to criminal offenses	ONLY for criminal cases: disqualification sanctions under Article 9 paragraph 2 for a period of not less than 1 year
Abusive exercise of gambling or betting activities (Article 4 L. 401/89)	Up to five hundred quotas in relation to criminal offenses	
Art. 25-quinquesdecies d.lgs. 231/2001 - Tax offenses (introduced by Decree-Law 124/2019 converted by Law no. 157 of 19/12/2019 and by Decree-Law 75/2020)		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Fraudulent declaration through the use of invoices or other documents for non-existent transactions (Art. 2 c. 1 L.D. 74/2000)	Up to five hundred shares	- Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted ban on advertising goods or services
If the amount of fictitious items is less than one hundred thousand euros (Art. 2 c. 2 bis L.D. 74/2000)	Up to four hundred shares	
Fraudulent declaration by means of other artifices (Art. 3 Legislative Decree 74/2000)	Up to five hundred shares	
Issuance of invoices or other documents for transactions	Up to five hundred shares	

non-existent (art. 8 c. 1 Legislative Decree 74/2000)		
If the untrue amount indicated in the invoices is less than one hundred thousand euros (Art. 8 c. 2 bis L.D. 74/2000)	Up to four hundred shares	
Failure to make a declaration (if the acts are committed within the framework of cross-border systems and for the purpose of evading value added tax for a total amount of not less than ten million euros) - Art. 5 D. L.vo 74/2000	Up to four hundred shares	
Unfaithful declaration (if the facts are committed within the framework of cross-border systems and in order to evade value added tax for a total amount not less than ten million euros) - Art. 4 D. L.vo 74/2000	Up to three hundred shares	- Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods or services
Concealment or destruction of accounting documents (Art. 10 Legislative Decree 74/2000)	Up to four hundred shares	
Undue compensation (if the acts are committed within cross-border systems and for the purpose of evading value added tax for a total amount not less than ten million euros) - Art. 10 quater D. L.vo 74/2000		
Fraudulent evasion tax payment (Art. 11 L.D. 74/2000)	Up to four hundred shares	
Art. 25-sexiesdecies d.lgs. 231/2001 - Contraband (introduced by Legislative Decree 75/2020)		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Smuggling in the movement of goods across the borders of		- ban on contracting with the P.A.

land and customs spaces (Art. 282 Presidential Decree 43/73)	Up to two hundred quotas (when border fees exceed one hundred thousand, the penalty of up to four hundred quotas applies)	- Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods or services
Contraband in the movement of goods in border lakes (Art. 283 Presidential Decree 43/73)		
Contraband in the maritime movement of goods (Art. 284 Presidential Decree 43/73)		
Smuggling in the movement of goods by air (Art. 285 Presidential Decree 43/73)		
Smuggling in non-customs zones (Art. 286 Presidential Decree 43/73)		
Contraband for improper use of imported goods with customs facilities (Art. 287 Presidential Decree 43/73)	Up to two hundred quotas (when border fees exceed one hundred thousand, the penalty of up to four hundred quotas applies)	- Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods or services
Contraband in customs warehouses (Art. 288 Presidential Decree 43/73)		
Contraband in cabotage and circulation (Art. 289 Presidential Decree 43/73)		
Contraband in the export of goods eligible for duty drawback (Article 290 Presidential Decree 43/73)		
Smuggling in temporary import or export (Article 291 Presidential Decree 43/73)		
Other cases of smuggling (Art. 292 Presidential Decree 43/73)		
Aggravating circumstances of smuggling (Art. 295 Presidential Decree 43/73)		
Smuggling of foreign manufactured tobacco products (Art. 291 bis Presidential Decree 43/73)		
Aggravating circumstances of the crime referred to in Art. 291 bis (Art. 291 ter Presidential Decree		

43/73)		
Conspiracy to commit the crime referred to in Article 291 bis (Art. 291c Presidential Decree 43/73)		
Art. 25-septiesdecies d.lgs. 231/2001 - Crimes against cultural heritage (introduced by Law 22/2022)		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Violations of alienation of cultural property (Article 518 novies of the Criminal Code).	One hundred to four hundred shares	For a duration not exceeding two years: - disqualification from carrying out the activity - suspension or revocation of licenses, permits or functional concessions To the commission of the offense; - Ban on contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods or services
Misappropriation of cultural property (Article 518b of the Criminal Code).		
Illegal importation of cultural property (Article 518i of the Criminal Code).	Two hundred to five hundred shares	NO
Illicit exit or export of cultural property (Article 518 undecies of the Criminal Code).		
Destruction, dispersal, deterioration, defacement, defacement, and illegal use of cultural or scenic property (Art. 518 duodecies c.p.)	Three hundred to seven hundred shares	NO
Counterfeiting of works of art (Article 518 quaterdecies of the Criminal Code).		
Theft of cultural property (art. 518 bis c.p.)	Four hundred to nine hundred shares	For a duration not exceeding two years: - disqualification from carrying out the activity - suspension or revocation of licenses, permits or functional concessions To the commission of the offense; - ban on contracting with
Receiving cultural property (Article 518c of the Criminal Code).		
Forgery in private writing relating to cultural property (Article 518g.		

c.p.)		the P.A. - Exclusion from benefits and revocation of any benefits already granted - ban on advertising goods or services
Art. 25-duodevices d.lgs. 231/2001 - Laundering of cultural property and devastation and looting of cultural and landscape heritage (introduced by Law 22/2022)		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Laundering of cultural property (Article 518 sexies of the Criminal Code).	Five hundred to one thousand shares	Permanent disqualification from business only if the entity is used for the sole or predominant purpose of enabling or facilitating the crimes provided for therein
Devastation and looting of cultural and scenic property (Article 518l of the Criminal Code).		
Art. 10 l. 146/2006 - Ratification and implementation of the UN Convention against Transnational Organized Crime		
CRIMES-PRESUMED	FINES	PROHIBITORY SANCTIONS
Criminal (Article 416 of the Criminal Code).	Four hundred to one thousand shares	For at least one year:
Mafia-type association, including foreigners (Article 416-bis of the Criminal Code).		- disqualification from carrying out activity (permanent disqualification if the entity or one of its organizational units is permanently used for the sole or predominant purpose of enabling or facilitating the commission of one of the predicate offenses)
Conspiracy for the purpose of smuggling foreign processed tobacco products (Article 291-quater Presidential Decree 43/1973)		- suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense
Association for the purpose of illicit trafficking in narcotic drugs or psychotropic substances (art. 74 Presidential Decree 309/1990)		- Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - Ban on advertising goods and services
Crimes related to illegal immigration (Art. 12, paras. 3, 3-bis, 3-ter and 5, Legislative Decree 286/1998)	Two hundred to one thousand shares	Permanent disqualification Of the activity if the entity or one of its organizational units

		are stably used for the sole or overriding purpose of enabling or facilitating the commission of the alleged crimes. For no more than two years: - disqualification from carrying out activity - suspension or revocation of licenses, authorizations or concessions functional to the commission of the offense - Ban contracting with the P.A. - Exclusion from benefits and revocation of any benefits already granted - Ban on advertising goods and services
Inducement not to make statements or to make false statements to judicial authorities (Article 377-bis of the Criminal Code)	Up to five hundred shares	NO
Aiding and abetting (art. 378, Criminal Code)		

* The Legislative Decree of March 1, 2018 bearing "provisions implementing the principle of delegation of code reservation in criminal matters pursuant Article 1, paragraph 85, letter q) of Law No. 103 of June 23, 2017" repealed the offence set forth in Article 260 of Legislative Decree No. 152 of April 3, 2006, no. 152 (prerequisite of liability Entities by virtue of the provision of Article 25 *undecies* Legislative Decree 231/01), and that of paragraph 3 *bis* Article 3 of Law No. 654 of October 13, 1975 (prerequisite of liability for Entities by virtue of the reference made by Article 25 *terdecies* Legislative Decree No. 231 of June 8, 2001). Criminal offenses with contents similar to those repealed were included within the Penal Code, respectively in Articles 452 *quaterdecies* and 604 *bis*: despite the lack of coordination of Articles 25 *undecies* and 25 *terdecies* of Legislative Decree No. 231 of June 8, 2001, it is believed that the same continue to constitute a presupposition of liability for Entities.

Regarding latter category, Art. 10 of Law No. 146 of 3/16/06, "Law ratifying and executing the United Nations Convention and Protocols against transnational organized crime," provided for the administrative liability of entities in relation to crimes defined as "transnational."

Article 3 of the same Law states that a transnational crime is one that is "punishable by imprisonment of not less than a maximum of four years, if an organized criminal group is involved, and if: a) it is committed in more than one state; b) or it is committed in one state, but a substantial part of its preparation, direction or control takes place in another state;

(c) or is committed in a state, but an organized criminal group is involved in it

engaged in criminal activities in more than one state; d) or is committed in one state but has substantial effects in another state."

Therefore, the offenses listed above in the table fall into this category.

1.4 Crimes committed abroad.

According Article 4 of the Decree, the entity, in the cases and under the conditions set forth in Articles 7, 8, 9 and 10 of the Criminal Code, may be held liable in Italy in connection with crimes - covered by the same D. L.vo 231/01 -committed abroad.

The Explanatory Report to the Decree stresses the need not to leave a frequently occurring criminological situation without a sanction, also in order to avoid easy circumvention of the entire regulatory framework in question.

The prerequisites underlying the entity's liability crimes committed abroad are:

- that the predicate offense is punishable by imprisonment of not less in the minimum term than 3 years and that the offender is on the territory of Italy (for crimes punishable by imprisonment of a lesser term, a request from the Ministry of Justice or an application or complaint from the offended person is required);
- That the act is also provided for as a crime by the state in which the act occurred;
- That the Entity has its head office in Italy;
- That the State of the place where the act was committed shall not proceed against the Entity.

This implies, for the purposes of this organizational model, the need to also consider the transactions that *Insit Industria S.p.a.* finds itself carrying out abroad, for example, for purchases and/or sales in countries other Italy. This aspect will be screened for what is relevant here in the special section, where the individual crime hypotheses for which the legislator has provided for the liability of the collective entity will be addressed.

1.5 The penalty system.

As mentioned earlier, the sanctions apparatus prepared by the Legislature within the framework of Legislative Decree No. 231 of June 8, 2001 is functional to directly and effectively target the legal person.

Article 9 provides for four different types of penalty:

- 1) Administrative fines;
- 2) disqualifying sanctions;
- 3) The publication of the conviction (in the case of the application of a disqualifying sanction);
- 4) confiscation

With regard to **pecuniary sanctions**, they constitute the pivot of the sanction system under Legislative Decree 231/01: unlike the other types of sanctions-applicable only in relation to the crimes for which the Decree expressly provides them-they are applied whenever the integration of the administrative offence dependent on a crime is ascertained.

The amount is determined by the Criminal Judge through a system based on "quotas" in a number of not less than one hundred not more than one thousand and in an amount varying from a minimum of € 258 to a maximum of € 1,549 (**concretely, the penalty may vary from a minimum of € 25,800.00 to a maximum of € 1,549,000.00**). In the commensuration of the fine, the Criminal Judge determines the number of quotas, taking into account: the seriousness of the fact, the degree of the company's responsibility as well as the activity carried out to eliminate or mitigate the consequences of the fact and to prevent the commission of further offenses.

On the other hand, with regard to the amount of the individual fee, the court will have to take into account the company's economic and asset conditions in order to ensure the effectiveness of the penalty.

Art. 12 of the Decree establishes the cases and hypotheses in which the pecuniary sanction may be reduced. They include, on the other hand, **prohibitory sanctions** (also applicable as a precautionary measure) of a duration of not less than three months and not more than two years:

- a) Disqualification from engaging in the business;
- b) The suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- c) the prohibition of contracting with the public administration, except to obtain the performance of a public service;
- d) exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted;
- e) A ban on advertising goods or services.

Such sanctions may be applied only in relation to those offenses for which they are expressly provided, and for their application at least one of the following conditions must be met:

- that the entity derived a significant profit from the crime and the crime was committed by a top person or a subordinate, but, in this case, only if the commission of the crime was determined or facilitated by serious organizational deficiencies;
- In case of repeated offenses.

The judge determines the type and duration of the prohibitory sanction taking into account the suitability of individual sanctions to prevent offenses of the type committed and, if necessary, may apply them jointly (Article 14, paragraph 1 and paragraph 3, Decree).

The application of a prohibitory sanction can entail very significant consequences for the Entity and, consequently, the Legislature, again with a view to achieving the application of a sanction proportionate to the violation, has provided a number of precautions.

First, disqualification penalties cannot be applied in cases where the damage caused by the criminal act proved to be of particular tenuousness and in cases where the offender committed the act in his or her own predominant interest or the interest of others and the Entity gained little advantage.

In addition, the most severe sanction, that of disqualification from conducting business, can be applied, pursuant to Article 14 last paragraph of the Decree, only when the imposition of the other disqualification sanctions is inadequate.

In the event that the application of the aforementioned sanction may result in the interruption of a public service or a service of public necessity to the detriment of the community or, again, by virtue of the size of the Entity and the territory in which it is located, may generate an employment crisis, the Criminal Judge may order, pursuant Article 15, that the activity continue under management of a Judicial Commissioner.

Also with a view to containing excessively burdensome consequences for the Entity, the Legislature, with Article 17 of Legislative Decree 231/01, provided for the possibility of converting prohibitory sanctions into pecuniary penalties the event that, prior to the opening of first hearing, the company has:

- fully compensated for the damage and eliminated the harmful or dangerous consequences of the crime (or, at the very least, effectively worked to do);
- made available to the Judicial Authority the profit of the crime;
- eliminated the organizational deficiencies that led to the crime by adopting and operating organizational models suitable for preventing the commission of crimes of the same kind as the one that occurred.

Lastly, it should be noted that the sanctions of disqualification from conducting business, prohibition from contracting with the public administration and prohibition from advertising goods or services can be applied-in the most serious cases-permanently.

Finally, with regard **to confiscation**, pursuant Article 19 of the Decree, the confiscation of the price or profit of the crime is always ordered against the Entity in case of conviction; it is, therefore, a mandatory sanction in case of conviction.

If it is not possible to execute the confiscation of the price or profit of the crime, the penalty may be for sums of money, goods or other utilities of equivalent value to the price or profit of the crime.

1.5.1 Precautionary measures.

A) Interdictions:

The Decree provides for the possibility for the prosecuting criminal judge, upon request of the Public Prosecutor, to take precautionary measures for the purpose of paralyzing or curtailing the Entity's activity when its continuation could aggravate the consequences of the crime or facilitate the commission of other offenses.

Article 45 makes the application of precautionary measures conditional on two requirements:

- the presence of serious indications of responsibility on the part of the Entity in relation to the offence for which the Judicial Authority is proceeding as well as
- of well-founded and specific evidence that there is a real danger of reiteration of offenses of the same nature.

The third paragraph of Article 45 provides the possibility for the Criminal Judge to appoint a judicial commissioner in lieu of the application of an interdictory precautionary measure - for a period equal to the duration of the measure that would have been applied - if he or she believes that the application of the measure could jeopardize a public service with serious harm to the community or create significant employment problems.

Lastly, it is important to emphasize how the Entity can obtain, pursuant to Article 49 of Legislative Decree No. 231 of June 8, 2001, the suspension of the execution of interdictory precautionary measures by demonstrating that it has carried out one of the restorative conducts indicated in Article 17 of Legislative Decree No. 231 of June 8, 2001, and in particular, alternatively one from the other:

- The elimination of the organizational deficiencies that led to the crime through the adoption of an organizational Model suitable for preventing crimes of the kind that occurred;
- full compensation for the damage caused and elimination of the harmful or dangerous consequences of the crime or the effective endeavor to do so;
- making the profit made available to the judicial authorities for confiscation. Interdictory precautionary measures can only be applied with reference to the predicate offenses for which they are also provided for as definitive sanctions.

B) Royalty:

Unlike interdictory precautionary measures-applicable, as mentioned earlier, only in the event that predicate offenses are in dispute that provide for them as definitive sanctions-real precautionary measures can be applied with reference to all predicate offenses of liability *under* Article 231/01 and can be combined with interdictory sanctions.

They are functional in placing unavailability constraints on the assets of the Entity and are of two types:

- The PREVENTIVE SEQUESTRATION OF THE GOODS OF WHICH CONFISCATION IS PERMITTED (PRICE OR PROFIT OF THE OFFENCE, EVENTUALLY ALSO FOR EQUIVALENT) (if it is not possible to identify assets eligible for confiscation, the Legislature allows for the seizure of money, property or other utilities of equivalent value);
- the CONSERVATIVE SEQUESTRATION OF MOVABLE OR IMMOVABLE PROPERTY OF THE ENTITY (or of the sums or things due to the same) if there is good reason to believe that there are not - or that they may dissipate - the guarantees for the payment of the financial penalty.

1.6 Criteria for imputing liability to the entity.

The realization, in each of its constituent elements, of one of the predicate offenses constitutes only one of the conditions for the applicability of the discipline dictated by the Decree.

There are, in fact, additional elements that pertain to the manner in which the crime tort is imputed to the entity and which, depending on their nature, can be divided into imputation criteria of an objective nature and of a subjective nature.

The *objective* criteria require that:

- the offense was committed by a *person who has a qualified relationship with the legal person*;
- the crime was committed *in the interest* or *to the advantage* of the entity.¹

The agent's (or a third party's) exclusive advantage does not result in any liability in the head

¹ Following the inclusion among the predicate offenses, of culpable offenses, the problem of the compatibility of these offenses with the criteria of imputation of interest and benefit to the Entity has arisen.

Indeed, it is unimaginable to think that the Entity could pursue its own interest or achieve an advantage, through events

Injurious to people's physical integrity.

As a result, the imputation criterion set forth in Article 5 of Legislative Decree 231/01, with reference to the above-mentioned cases punished on the grounds of fault, would in fact be inapplicable.

This relief has been superseded by jurisprudence - also endorsed by the United Sections ruling Sept. 18, 2014, No. 38343 Espenhahn, issued in the context of the well-known Thyssenkrupp affair - which affirmed that the interest and/or advantage should be read, in the patrimonial perspective of the Entity, as savings of economic resources consequent to the failure to prepare due accident prevention precautions or as an economic increase consequent to increased productivity unhindered by compliance with preventive regulations.

to the entity, since this is a situation of manifest extraneousness of the legal person to the criminal act.

For the purposes of affirming the entity's liability, in addition to the existence of the requirements mentioned so far, which allow an objective connection to be made between the crime committed and the entity's activity, the legislature also requires the establishment of a subjective requirement, consisting of the entity's culpable conduct with respect to the commission of the crime. This subjective requirement, is identified with *the so-called "guilt in organization"* of the entity, understood as the violation adequate rules of diligence self-imposed by the entity itself and aimed at preventing the specific risk from the crime. In other words, the entity is liable for a defect in organization, i.e., for failing to adopt and effectively implement an appropriate management and control plan aimed at preventing the commission of crimes within it.

Guilt in organization does not result in culpability *in re ipsa* in that the entity can and should be exonerated from liability where it demonstrates that it adopted and implemented organizational, management and control measures suitable to prevent the commission of crimes of the same kind as the one that occurred.

In fact, the Decree excludes the entity's liability if, *prior to* the commission of *the crime*, the entity has equipped itself with and effectively implemented an Organization, Management and Control Model suitable for preventing the commission of crimes of the kind that were committed.

The Model operates as an exemption whether the predicate offense was committed by an apical person or by a subordinate person.

However, for crimes committed by top management, the Decree introduces a kind of *presumption of liability of the entity* (and reversal of the burden of proof) on the assumption that the criminal act would have been a direct emanation of the representative and implementing bodies of the company policy. Therefore, it will be the entity that, in order to be exonerated from liability, will have to prove that:

- 1) the management body has adopted and effectively implemented, prior to the commission of the act, an ^{appropriate} Model² to prevent crimes of the kind that occurred;
- 2) the task of supervising the operation of and compliance with the Model as well as taking care of their updating has been entrusted *to a body of the entity with autonomous powers of*

² As for the concept of **suitability**, the same refers to a prognostic judgment on the theoretical effectiveness - ie. conducted upstream, on paper - of the organizational structure and the set of preventive rules and procedures provided by the company and incorporated in the Model to cover and minimize the risks considered relevant following the risk mapping activity. As for the **effective implementation**, it is related to the actual transposition of the organizational/preventive structure provided by the Model into the concrete management and operational dynamics of the company's business as well as the set of controls that it

ensure monitoring.

The judgment regarding the existence of this requirement must be carried out in concrete terms through an investigation that verifies the correspondence between the procedures provided by the Model and the company's operational dynamics at the time of the commission of the crime.

initiative and control (Supervisory Board)³;

3) the apical individuals committed the crime by *fraudulently* circumventing the Model. In other words, the Model must constitute a serious obstacle to the implementation of criminal acts by the apical individuals, who, if they intend to carry out behaviors integrating one or more of the offenses presupposing liability, will have to be forced to circumvent the controls that preside over compliance with the rules with which the Entity, by means of the Organizational Model, has equipped itself.

4) there was no *omission* or *insufficient supervision* by the Supervisory Board. Instead, for offenses committed by subordinates, the entity can only be held liable (with the burden of proof on the prosecution) if it is found that *"the commission of the offense was made possible by the failure to comply with the obligations of management or supervision"* that typically fall on top management or persons delegated by them.

The rule does not require culpable conduct on the part of an individual or individuals burdened with a duty of control/supervision, but rather assigns criminal liability to the Entity on the basis of a general and structural organizational fault in prevention of predicate offenses.

This is a *de facto* "impersonal" form of culpability, peculiar to the Entity, in that it is not linked to the subjective element of the perpetrator of a crime but refers directly to the collective organization.

On the contrary, Paragraph 2 of Article 7 Decree specifies that failure to comply with the obligations of management and supervision is excluded *"if the entity, prior to the commission of the crime, has adopted and effectively implemented an organization, management and control model suitable to prevent crimes of the kind that occurred."*

The adoption and effective implementation of the Model, while not constituting a legal *obligation*, is therefore the only tool available to the entity to prove its extraneousness to the acts crime and, ultimately, to go exempt from the liability established by the Decree.

On this point, it is clarified that the mere adoption of the model is not sufficient, as it is actually necessary for it to be effective and effective in practice.

As for effectiveness, the legislature, in Article 6 paragraph 2 of the Decree, states that the model must meet the following requirements:

- Identify activities in the scope of which there is a possibility of crimes being committed;
- Provide specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the crimes to be prevented;

³ initiative and, primarily, control, can only be considered effective and not merely "cardinal" where the non-subordination of the parent to the subsidiary is apparent.

- Provide for reporting obligations to the Supervisory Board;
- Introduce an internal disciplinary system suitable for sanctioning non-compliance with the measures outlined in the model;
- Introduce a code of ethics for business activities.

On the other hand, the characteristic of the effectiveness of the model is related to its effective implementation, which, according to Article 7 paragraph 4 of the Decree, requires:

- periodic review and possible amendment of the same when significant violations of the requirements are discovered or when changes occur in the organization or activity (updating of the model);
- An appropriate disciplinary system to punish non-compliance with the measures specified in the model.

1.7 Entity liability and changing events in corporate structure.

The Decree regulates the regime of the entity's liability in the case of *modifying events*: transformation, merger, demerger and sale of a company, and on this point it establishes the rule that, in the case of "*transformation of the entity, liability for crimes committed prior to the date on which the transformation took effect remains firm.*" The new entity will therefore be the recipient of the penalties applicable to the original entity, for acts committed prior to the transformation.

In the case of a merger, the Decree provides that the merged entity, including by incorporation, is liable for the crimes for which the merging entities were responsible.

In the case of a partial demerger, on the other hand, the Decree stipulates that the liability of the demerged entity for crimes committed prior to the demerger remains unaffected. However, the entities benefiting from the demerger, whether partial or total, are jointly and severally obligated to pay the fines owed by the demerged entity for crimes committed prior to the demerger. The obligation is limited to the value of the transferred assets.

If the merger or demerger took place before the conclusion of the trial to establish the liability of the entity, the court in the commensuration of the financial penalty will take into account the economic conditions of the original entity and not those of the merged entity.

In any case, disqualification penalties apply to entities to which the branch of activity within which the crime was committed remained or was transferred, even in part.

In the event of the sale or transfer of the company within the scope of which the crime was committed, the Decree establishes that, except for the benefit of prior enforcement of the transferor entity, the transferee is jointly and severally obligated with transferor entity to pay the financial penalty, within the limits of the value

of the transferred business and to the extent of the financial penalties that are apparent from the statutory books of account, or of which the transferee was otherwise aware.

2. THE COMPANY AND ITS ORGANIZATIONAL STRUCTURE.

2.1 Corporate structure corporate purpose.

Insit Industria S.p.A. is a joint-stock company that has its registered and administrative headquarters in Turin, Corso Govone No. 18, while the production plant is located in Montà d'Alba (CN), Corso Manzoni No. 69.

The Company predominantly carries out the activities of processing rubber, plastic, thermoplastic rubber (TPE) and related materials in general, both in Italy and abroad, including the design, development and testing of products made from the mentioned materials, as well as the activity of trucking service for third parties.

The company's share capital belongs almost entirely to I.N.S.I.T. Industria Nazionale Sughero Isoplast Torino S.r.l.

The Organs of the Society to which the exercise of social functions is delegated, according to their respective competencies, are:

- the Members' Meeting: the Members' Meeting is competent to pass resolutions, in ordinary and extraordinary session, on matters reserved to it by the Law and the Articles of Association.
- the Board of Directors: the administrative body of Insit Industria S.p.a. is composed of four members (Chairman, Vice Chairman and two Board), who hold office for the period determined by the shareholders' meeting at the time of their appointment and, in any case, for no more than three fiscal years, namely, until the ordinary shareholders' meeting called to approve the financial statements for the last fiscal year of their term in office. Members of the Board of Directors are eligible for re-election.

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company. Specifically, reserved to the Board of Directors are the competencies and related powers relating to the approval of budgets, commercial, economic, investment and financial, the purchase, sale, lease of companies or business from third parties and to third parties, the purchase and sale of real estate, the stipulation of mortgages with the issuance of collateral in favor of third parties as well as finally the appointment and dismissal of executives and determination of their economic treatment including the disbursement of any bonuses.

The Chairman and Vice Chairman have been vested with all powers, to be exercised severally, of ordinary administration, inherent in the enterprise and its operation with the exclusion of the powers reserved to the Board of Directors.

In addition, in order to determine responsibilities and limits that were more in line with the concrete activity carried out by each and effective control over the company, *Insit Industria S.p.A.* has redesigned the granting of powers and proxies, including in relation to issues related to the protection of health and safety in the workplace and prevention of accidents in the workplace and environmental protection, as well as any other activity that constitutes an area of risk for company.

To this end, the company has made the decision to divide its activities and consequent responsibilities into specific sectors and has appointed two Co-General Managers, have been given broad and autonomous management and spending powers, one responsible for the commercial and purchasing area and the other the contact person for the administrative-financial area.

In addition, both Co-Directors General were appointed as employers with specific expertise (see Appendices A and B to the minutes of the Board of Directors meeting of 5/20/15) in occupational safety and hygiene and environmental protection.

Assisting the Co-Directors is the Plant Director who has been given express delegated powers of functions and has been appointed special attorney in matters of health and safety protection in the workplace and prevention of accidents in the workplace

- the Board of Statutory Auditors: the Company's auditing body consists of three standing auditors and two alternate auditors who hold office for three fiscal years and are eligible for reappointment. The Board of Statutory Auditors has the duties and powers under Articles 2403 and 2403 bis of the Civil Code and exercises accounting control over the company.

All Standing Auditors and Alternate Auditors of the Company have the requirements of honorability and professionalism set forth in Article 148, paragraph 4, of the Consolidated Law as well as the requirements of independence set forth Article 148, paragraph 3, of the Consolidated Law.

3. THE ORGANIZATIONAL MODEL OF MANAGEMENT AND CONTROL.

3.1 Goals and Objectives of the Model.

Insit Industria S.p.A.'s decision to adopt an organizational, management and control model in accordance with the Decree is not only aimed at limiting the risk of committing the crimes provided for in the Decree or allowing the company to benefit from the exemption provided for by the same, but it is an act that must tend to improve *corporate governance*, that is, the "good governance" of the Company.

Therefore, this Organization, Management and Control Model, adopted on the basis of the provisions of the law, constitutes to all intents and purposes the internal regulations of the company.

It is, likewise, the Company's conviction that the model adopted, without prejudice to its peculiar purpose and the necessary compliance with legal requirements should be dropped into the company's reality in particular by adapting its system of internal controls, providing for the specific purposes of ensuring the compliance of business practices with ethical standards and the proper and lawful performance of activities.

With this in mind, its main objective is to form the basis for a structured and organic system of organizational, management and control procedures, aimed at preventing the commission of the crimes provided for in the Decree as well as making the control system more effective.

More generally, the Model is proposed as a fundamental tool for raising the awareness of all employees and all "third parties" (suppliers, customers, business partners, etc.), who come into contact with the Company, so that correct and transparent behavior is adopted in line with the ethical values that inspire Insit Industria S.p.A. in the performance of its activities.

The provisions of this Model, therefore, aim to affirm and spread a business culture marked by legality: no illegal behavior, even if carried out in the interest or to the advantage of the company, can be considered in line with the policy adopted by the company.

The Model is also aimed at the dissemination of a culture of control and information that must govern all decision-making and operational phases of the company's activities, in full awareness of the risks arising from the possible commission of crimes.

The adopted Model must involve every aspect of the activity carried out by *Insit Industria S.p.A.*, through the distinction of operational tasks from control tasks, with the aim of properly managing possible risk and/or conflict of interest situations.

The Model must also be integrated with existing Management Systems of which it is a foundational and essential element.

In particular, through the adoption of the Model, Insit Industria S.p.a. aims to pursue the following main purposes:

- Identify company areas and related sensitive activities that, due to their particular nature, may involve a risk of crime under the Decree;
- Evaluate the existing system of controls and where necessary provide for its adjustment to ensure that the risk of crimes being committed is reduced as much as possible and that any critical situations arising are reported promptly;
- To define a system of rules that establishes general (through the Code of Ethics) and specific (through organizational procedures) lines of conduct aimed at regulating company activities in "sensitive" sectors with respect to the risk of committing predicate offenses;

- enable it, through constant monitoring of its risk activities and procedures to take timely action to prevent or counteract the commission of crimes;
- Provide for a system of sanctions related to the violation of the provisions set forth in the Code of Ethics and the procedures set forth in this Model;
- train personnel on the contents of the Model, Code of Ethics and, more generally, on authorization powers, lines of hierarchical dependence, procedures, information flows and everything that contributes to the transparency of the company's activities;
- inform the recipients of the Model regarding the possibility of incurring, in the event of violation of the provisions set forth therein, the commission of offenses subject to criminal and disciplinary sanctions, as well as regarding the serious consequences that could result for the Company from the application of the pecuniary and interdictory sanctions provided for in the Decree and the possibility that these may also be ordered as a precautionary measure;
- Appointing and assigning to a Supervisory Board specific responsibilities regarding the control of the effective functioning, adequacy and updating of the Model;
- provide for a constant flow of information in favor of the Supervisory Board having to do with relevant news and related to the life of the Company, the violation of the provisions set forth in this Model and the possible integration or contestation of integration of cases of crime.

3.2 The Guidelines and the preparation of the Model.

Organizational models, according to the provisions of art. 6, paragraph 3, of the decree "may be adopted (...) on the basis of codes of conduct drawn up by the associations representing the entities, communicated to the Ministry of Justice which, in agreement with the competent Ministries, may formulate, within thirty days, observations on the suitability of the models to prevent crimes." It is necessary, however, to emphasize that the indications contained in the guidelines prepared by the trade associations represent the guidelines to which the Models of individual companies must be inspired, taking into account, of course, their own internal structure and organization; a mere transposition, general and abstract, of the guidelines would not, in fact, allow the necessary requirements of concreteness and effectiveness to be integrated.

In the preparation and implementation of this Model, the Company has taken into account the indications provided by Confindustria as part of the updated Guidelines, as well as the *"Consolidated Principles for the Preparation of Organizational Models and the Activity of the Supervisory Board and Prospects for the Revision of Legislative Decree No. 231 of June 8, 2001,"* prepared by the National Council of Chartered Accountants

Chartered Accountants and Accounting Experts in collaboration with ABI, Confindustria and the Forensic Council published in February 2019.

Before proceeding with the description of the individual preparatory steps for drafting the Model, a brief introduction should be made to the concept, which is fundamental in the construction of a preventive control system, of "ACCEPTABLE RISK."

A risk is considered acceptable when the additional controls cost less than the resource to be protected (as is the case, for example, with cars that commonly have an anti-theft system but are not guarded by an armed vigilante).

The Decree does not provide an indication of acceptable risk with reference to the precautions to be taken under the Model, which, as a result, could provide for a potentially endless and increasingly specific series, in terms of quality and quantity, of preventive controls, with obvious repercussions on the Company's normal operations.

According to the agreeable indications provided by the Confindustria Guidelines, it is necessary, in preparing the Model, to distinguish the conceptual threshold of risk acceptability depending on whether the procedures are to prevent malicious or culpable offenses.

In the first case, the aforementioned threshold must be identified in a prevention system such that it cannot be circumvented except in a fraudulent manner; in the second (relating to the crimes of and culpable personal injury committed in violation of occupational health and safety regulations as well as environmental crimes punishable by negligence), on the other hand, it is represented by the realization of conduct in violation of the Organizational Model and the underlying mandatory requirements provided by the prevention regulations despite the timely observance of the supervisory obligations provided by the Decree by the Supervisory Board.

In particular, in the case of intentional crimes, the Model and its control procedures must be implemented in such a way that the agent not only has to will the criminal event, but can implement his criminal intent only by circumventing the Company's provisions. In order for the Model to meet the necessary requirements of concreteness and effectiveness, the measures that the agent must be forced to circumvent in order to pursue his or her criminal intentions must be constructed in relation to the specific activities of the Company considered to be at risk of the commission of crimes and aimed at avoiding crimes hypothetically related to them.

With reference to culpable offenses, the concept of acceptable risk is represented by the violation of the provisions set forth in the Model as well as the preventive rules provided for accident prevention and environmental matters exceeding the timely exercise of control duties by the Supervisory Board.

Thus considered the criterion of acceptable risk, the following steps were taken in preparing this Model:

1) Mapping of activities at risk (so-called sensitive activities).

In order to identify the activities within the scope of which crimes could be committed for which Company could be held liable under Decree 231 and to identify the individuals responsible for them, the most significant organizational/procedural documentation (and in particular the Articles of Association, organizational chart, procedures, regulations, minutes of Board of Directors' meetings within which powers have been delegated or operating procedures defined, etc.) was collected and analyzed first, with a view to drafting the Model.) and, subsequently, to interview several individuals, in top and subordinate positions, each with specific competencies, in order to concretely assess the operation of the procedures and to verify the existence of any additional practices or those that differ from these procedures within individual Functions. As a result of this phase, a mapping of activities was defined that, in view of the specific contents, could be exposed to the potential commission of the crimes set forth in Decree No. 231.

2) Identification of threats and risk factors:

As part of this second phase, the potential risks of integration within individual corporate Functions were listed with reference to all the predicate offenses under Legislative Decree No. 231 of June 8, 2001. This activity made it possible to highlight the possible ways which the predicate offenses could be integrated within the previously "mapped" corporate context.

3) Assessment and assignment of risk level:

As part of this phase, an assessment was made regarding the potential configurability of the risk of integration of each of the predicate offenses and its level was evaluated. The scale of values used is as follows: Irrelevant; Low; ; Medium; Medium-High; High.

4) Identification of general principles and analysis of specific procedures aimed at preventing the commission of predicate offenses and/or any residual risk to "acceptable."

The purpose of this phase is to survey the existing control systems to guard the risks identified in the sensitive areas identified in the previous phases and to assess their ability to meet the requirements dictated by Legislative Decree No. 231 of June 8, 2001.

Again, the activity was carried out both by analyzing company documentation and by discussion with those responsible for individual procedures.

5) Preparation of the Organization, Management and Control Model.

The Model consists of a *General Part*, which describes and regulates the overall operation of the organization, management and control system adopted aimed at preventing the commission of crimes

prerequisite and as many special parts (having a supplementary character compared to the general part) as there are areas identified and classified as "at risk" of commission of the crimes themselves with indication of the protocols suitable for containing the highlighted risk.

3.3 The relationship between the Model and the Code of Ethics.

The Code of Ethics adopted by Insit Industria S.p.a., although having a different nature from the present Model, must be considered as inspiring the basic behavioral and ethical principles by which the company is inspired in the pursuit of its corporate purpose: these principles must necessarily be respected by all those, in any capacity, interact with the company itself.

The Code of Ethics, therefore, constitutes an essential foundation of the Model, given that the provisions contained in the latter presuppose compliance with the provisions of the former, forming a systematic set of internal rules aimed at spreading a culture of ethics and corporate transparency.

The Code of Ethics, to be understood here in its entirety, is attached to the Model and forms an integral part of it.

3.4 The recipients of the Model.

The provisions contained in the Model and the Code of Ethics apply to those who perform functions of representation, administration or management of the Company or one of its Organizational Units, as well as to all employees.

Finally, the Model and the Code of Ethics apply to those who, although not bound by a subordinate employment relationship with Insit Industria S.p.a., work by mandate or on behalf of the same or are otherwise linked to the company by ongoing relationships within the scope of company activities considered sensitive.

To this end, the General Co-Directors to whom the contracts or relationships refer, may identify, with ex ante evaluation, the subjects external to the Company to whom it is appropriate to apply, in view of the activity carried out, the provisions of the Model and the Code of Ethics, determining the methods of communication of the same so as to ensure effective knowledge by all the subjects concerned.

Recipients of the Model and the Code of Ethics are required to comply with the utmost fairness and diligence with all the provisions and protocols contained therein, as well as all the procedures for implementation.

3.5 Adoption, amendments and additions to the Model.

The Board of Directors has exclusive authority to adopt, amend and supplement the Model.

The O.d.V., within the scope of the powers granted to it in accordance Article 6, paragraph 1, lett. b) and Article 7, paragraph 4, lett. a) of the Decree, has the duty to make proposals to the Board of Directors regarding updating and adjustment of this Model, in the event of

- intervening legislative innovations and, more generally, change in the reference legal context within which the Model proves unsuitable to effectively minimize the risk of commission crimes;
- changes in the corporate structure such that the provisions and procedures referred to in the Model are out of date;
- organizational deficiencies or ineffective implementation of the provisions of the Model found by the Supervisory Board in the course of its activities.

In any case, the Model must be promptly amended or supplemented by the Board of Directors, after consultation with the SB when intervened:

- violations or circumventions of the requirements of the Model that have demonstrated its ineffectiveness or insufficiency for the purpose of preventing the predicate offenses;
- significant changes in the internal structure of the Company and/or in the way business activities are carried out;
- Regulatory changes regarding Decree 231.

Amendments, updates or additions to the Model must always be communicated to the SB.

The individual operating procedures referred to in the Model shall be modified, following a specific report to the O.d.V. by the relevant corporate functions, if they prove ineffective for the purpose of proper implementation of the Model.

3.6 Model communication and staff training.

The Model and the Code of Ethics are communicated to all personnel of the Company and to all members of corporate bodies by the General Manager administrative and financial area, responsible for personnel management, through the dissemination means deemed most appropriate. Appropriate methods for certifying the receipt of the Model and Code of Ethics by the Company's personnel are established by the same Director, in consultation with the Supervisory Board.

For parties outside the Company who are recipients of the Model and the Code of Ethics, appropriate forms of communication are provided. Contracts governing relations with such parties must include clauses informing them of the company's business policies (with particular reference to the Code of Ethics and the Model) and requiring contracting parties to comply with the principles set forth therein. The Code of Ethics is published in full on both the company intranet and the website, while the Model is published in full on the company intranet and in abbreviated form on the website. The company is committed to implementing training programs with the aim of ensuring the effective implementation of the Code of Ethics and the Model by employees and members of corporate bodies. The training programs cover the Decree and the regulatory framework of reference, the Code of Ethics and this Model (and their subsequent additions, amendments or updates); the level of training is modulated, with a different degree of depth, in relation to the qualification of the recipients and the different level of their involvement in sensitive activities. Training initiatives can also take place at a distance through the use of computer systems (e.g., video conferencing, e-learning). Participation in the training programs referred to in this point is mandatory, and violation of these obligations, constituting a violation of the Model, is subject to the prescribed sanctions.

4. SUPERVISORY BODY

4.1 Function.

In accordance with the provisions of Article 6, paragraph 1, letter b) of the Decree, Insit Industria S.p.a. established with approval of the Model, Supervisory Board with the task of continuously supervising effective functioning and compliance with the provisions contained therein, as well as taking care of its updating, proposing to the Board of Directors any changes/additions it deems necessary.

4.2 Requirements.

The members of the O.d.V. must have the requirements of professionalism, autonomy and independence. The O.d.V. must carry out the functions assigned to it while ensuring the necessary continuity of action.

- **Professionalism:** the requirement refers to the professional and technical toolkit that O.d.V. members must possess in order to carry out their activities effectively.

Therefore, it is desirable for the SB to be composed of individuals with specific expertise in activities of an inspection nature, in the analysis of control systems and in the legal field (in particular criminal law), so that the presence of professionalism that is different from each other but adequate for the performance of the relevant functions is guaranteed. Where necessary, the Supervisory Board may also avail itself of the help and support of external expertise, for acquisition of opinions regarding specialized skills.

- **Autonomy and independence:** the O.d.V. must be able to operate without being subjected to any form of interference or conditioning by any component of the entity and, in particular, the governing body.

These principles, in fact, would be emptied of meaning if the members of the SB were financially and personally conditioned or were in situations of conflict interest, even potential.

For this very purpose, care must be taken so that the members of the O.d.V. are not directly involved in the operational/managerial activities that are the subject of their control activities.

The O.d.V. hierarchically interfaces only with the Board of Directors to which it provides a report of the activities carried out. The activities carried out by the SB cannot be reviewed by any other corporate body or structure.

The O.d.V. must have autonomous spending powers on the basis of an annual expenditure budget, approved by the Board of Directors, at the proposal of the Body itself. In any case, the O.d.V., may request an integration of the funds allocated, if they are not sufficient for the effective performance of its duties, and may extend its spending autonomy on its own initiative in the presence of exceptional or urgent situations, which will be the subject of a subsequent report to the Board of Directors.

- **Continuity of action:** the O.d.V. must be able to guarantee the necessary continuity in the exercise of its functions, including through the scheduling of activities and controls, the minuting of meetings and the regulation of information flows from corporate structures.

4.3 Composition, appointment, and .

In the absence of specific indications in the body of Legislative Decree 231/2001, Insit Industria S.p.a. has opted for a solution that, taking into account the purposes pursued by the law, is able to ensure, in relation to its size and organizational complexity, the effectiveness of the controls to which the Supervisory Board is assigned.

In compliance with the provisions Article 6(1)(b) of the Decree, according to which the Supervisory Board is endowed with "autonomous powers of initiative and control," and in light of the indications provided

by the Confindustria Guidelines, Insit Industria S.p.a. has identified its Supervisory Board as a collegial body composed of three members. The Supervisory Board is appointed by the Board of Directors, with a reasoned decision acknowledging the existence of the requirements of honorability and professionalism.

Candidates for the office of members of the Supervisory Board must self-certify in writing that they meet the requirements indicated above and that they are not in any of the conditions causing ineligibility (see section on ineligibility), expressly undertaking to communicate any changes with respect to content of these declarations.

accepting office, the members of the SB, having read the Model and given formal adherence to the Code of Ethics, undertake to perform the functions assigned to them, guaranteeing the necessary continuity of action.

The term of office of the SB is the same as that of the Board of Directors, and any early dissolution of the latter will result in the disqualification of the members of the SB.

The Board of Directors appoints the Chairman of the O.d.V., identifying him or her from among the members not on the company's staff.

The compensation of the members of the O.d.V. is by resolution of the Board of Directors and is determined at the time of appointment for the entire term of office.

4.4 Causes of ineligibility, disqualification, suspension and revocation of members of the SB.

The Decree does not provide for specific cases of ineligibility for the office of member of the SB or termination thereof.

Therefore, it is deemed necessary for these to be regulated within the Model itself.

In all cases of death, resignation, disqualification, suspension, or revocation, the Board of Directors shall promptly replace the member who has office.

● Ineligibility.

Those who are in the conditions stipulated in Article 2399 of the Civil Code may not be appointed as members of the BOD.

It also constitutes cause for ineligibility:

- the pendency of criminal proceedings involving one of the predicate offenses of the decree;
- the conviction (or plea bargaining), even if not final, for one of the predicate offenses provided for in the Decree or, in any case, the conviction, even if not final, to a sentence that entails the disqualification, even temporary, from the executive offices of legal persons or companies. Any reform of the conviction (or of

plea bargaining) not final determines the overcoming of the cause of ineligibility but does not affect the intervening disqualification from office;

- the imposition of a sanction by CONSOB, for committing one of the administrative offenses in the area of market abuse, set forth in the TUF;
- having been subject to personal or property preventive measures ordered by the judicial authority.

● **Forfeiture.**

Subsequent to appointment, the failure of a member of the SB to meet the subjective requirements or the occurrence of any of the conditions precluding eligibility determines his or immediate removal office.

● **Suspension.**

They constitute grounds for suspension from serving as a member of the Supervisory Board:

- the conviction with non-final sentence for one of the predicate offenses provided for in the Decree or, in any case, the conviction , even if not final to a punishment that entails the disqualification, even temporary, from the executive offices of legal persons or companies;
- The application of a personal precautionary measure.

● **Revocation.**

Any revocation of the members of the O.d.V. may only occur for just cause, by resolution of the Board of Directors, after hearing the opinion of the Board of Statutory Auditors, where just cause means gross negligence in the performance of the duties associated with position such as, others:

- The failure to prepare informative reports on the activities carried out to the Board of Directors and the Board of Auditors;
- the failure to verify the reports it is the recipient of regarding the commission or alleged commission of crimes referred to in the Decree, as well as the violation or alleged violation of the Code of Ethics, the Model or the procedures established to implement it;
- Failure to convene and hold meetings of the SB for at least one year.

In any case, the Board of Directors of Insit Industria Spa may revoke the members of the Body in cases where there are significant failures to comply with the mandate conferred, with regard to the tasks indicated in Article 6 Decree; for cases of serious breach of confidentiality obligations, as well as when causes of ineligibility referred to above occur, prior to appointment as a member of the O.d.V. and not indicated in the self-certification.

4.5 Conduct business: duties and powers.

The O.d.V. has, as mentioned above, autonomous powers of initiative and control such as to enable the effective performance of the tasks set forth in the Model.

In order to do so, the SB is given its own rules of operation through the adoption of special regulations, which are brought to the attention of the Board of Directors.

The O.d.V. is not vested with management or decision-making powers relating to the performance of the Company's activities, organizational powers or powers to change the corporate structure, or sanctioning powers.

The O.d.V. is assigned the task of supervising the operation of and compliance with the model and ensuring that it is updated. To this end, the Supervisory Board is assigned the following duties and powers:

- a) to verify efficiency and effectiveness as well as adequacy of the Model with respect to the prevention of the commission of the crimes provided for in the Decree, reporting and promptly proposing the need for updating to the Board of Directors;
- b) Verify compliance with the Code of Ethics, rules of conduct, prevention protocols and procedures set forth in the Model, noting any behavioral deviations;
- c) Carry out, periodically, inspection activities, according to the methods and deadlines specified in the Regulations;
- d) Promptly propose the adoption of disciplinary sanctions to the responsible function;
- e) Supervise and control the planning and subsequent conduct of personnel training programs having as their subject the Model and the Code of Ethics;
- f) freely access any work unit of Insit Industria S.p.a., without prior notice, to request, obtain and acquire information, documentation and data deemed necessary for the performance of the specific function assigned by the Model;
- g) access and/or request all information concerning activities deemed to be at risk of crime, identified in the Special Parts of the Model;
- h) Prepare a program of periodic audits of the actual application of control procedures in "Sensitive Activities" and their effectiveness, it being understood that the primary responsibility for the control of activities remains, however, with the operational management and forms an integral part of business processes;
- i) collect, process and store relevant information regarding compliance with the Model, as well as, where necessary, update the list of information that must be mandatorily transmitted to the same O.d.V. or kept at its disposal;
- l) Carry out monitoring of Sensitive Activities. To this end, the Supervisory Board is kept constantly informed about the development of activities in the above-mentioned risk areas and has free

Access to all company documentation. The Supervisory Board must also be notified by all personnel, of any situations in the company's operations that may expose the company to the risk of crime;

m) Avail itself of the help and support of any external consultants for issues of particular complexity or requiring specific expertise.

The O.d.V. performs its functions by coordinating with the company management for aspects relating to the interpretation and monitoring of the Model's regulatory framework of reference, and, for matters pertaining to the protection of health and safety in the workplace, with the Prevention and Protection Service and other specific figures envisaged by the sector regulations. The O.d.V. also coordinates with the company functions involved in activities at risk for all aspects related to the implementation of operational procedures for the implementation of the Model.

The Body must, in addition, coordinate with the relevant functions in the company for the various specific profiles.

In addition, every year, the O.d.V. submits to the Board of Directors, a written report on the implementation of the Model.

Meetings with the Departments/Functions to which the SB refers must be minuted, as must the periodic meetings of the members of the SB. Copies of the minutes must be kept by the Body itself.

The Board of Directors has the power to convene the BOD, which, in turn, has the power to request the Chairman of the Board of Directors to convene said body for urgent reasons.

The members of the O.d.V., as well as the individuals whose services the Body uses in any capacity, are required to respect the obligation of confidentiality on all information of which they have become aware in the performance of their duties.

4.6 Information flows: communications to and from the Supervisory Board.

In order for the O.d.V. to concretely carry out its activities, it is necessary to provide an outline (drafted by the O.d.V. itself) of information flows that must systematically reach the Body on a quarterly, semiannual or annual basis depending on the type of information to be sent, with particular reference to periodic reports on occupational health and safety.

In addition, it must be provided in the same scheme that it is mandatory for all corporate functions to notify the O.d.V. about the occurrence of a particular event that is related to the prevention of predicate offenses, so that it is promptly informed about any violations of the requirements.

Regardless of this, the BOD shall prepare, at a frequency stipulated in the Rules, a written communication sent to the BOD. Which must contain, at a minimum: a summary of the activities carried out during the period taken into consideration by the SB; a description of any problems that have arisen regarding the operational procedures for implementing the provisions of the Model; a description of any new activities at risk of crime that have been identified; a report of the reports received and what has been directly found, regarding alleged violations of the provisions of the Model, the Code of Ethics, the prevention protocols and the related implementation procedures as well as the checks carried out in this regard; information regarding the possible commission of crimes relevant for the purposes of the Decree; an overall assessment of functioning and effectiveness of the Model with any proposals for additions, corrections or modifications; reporting of any changes in the regulatory framework and/or in the way business activities are carried out that require an update of the Model; and reporting of expenses incurred.

The B.o.D. has the power to convene the O.d.V. at any time to inform about the activities of the office.

The obligations to inform about any conduct contrary to the provisions contained in the Model are part of the broader duty of care and duty of loyalty of the employee established by the Civil Code.

The confidentiality of the identity of the reporter is ensured, without prejudice to legal obligations and the protection the rights of the Company or persons wrongly accused and/or in bad faith.

Pursuant Article 6 paragraph 2 bis of the Decree, it is expressly prohibited to carry out direct or indirect retaliatory or discriminatory acts against the reporter for reasons directly or indirectly related to the report.

In addition, Article 6 paragraph 2b of the Decree provides for the possibility for the reporter who has suffered discriminatory measures, as well as for the indicated trade union association, to report the incident to the National Labor Inspectorate.

Paragraph 2c establishes the nullity of retaliatory or discriminatory dismissal, change of duties as well as any other measures implemented against the reporting person and places the burden of proof on the employer - in the event of disputes related to the imposition of disciplinary sanctions, demotions, dismissals, transfers or subjecting the reporting person to any other organizational measure having direct or indirect negative effects on working conditions after the submission of the report - that these measures are based on reasons unrelated to the report itself.

Correct fulfillment of the duty to inform by the employee may not result in the application of disciplinary sanctions.

In order to effectively collect the reports described above, the Body will communicate, to all interested parties, the ways and forms of making them.

The Body discretionally and under its responsibility evaluates the reports received and the cases in which it is necessary to take action.

In order to enable timely compliance with the provisions of this paragraph, pursuant Article 6 paragraph 2 bis of the Decree, communications and reports may be made orally, by internal mail addressed to the SB, as well as by sending an email addressed to the mailbox set up *ad hoc* odv@insitindustria.com-

The reports in question (of which the SB guarantees confidentiality) are kept by the Body itself in the manner specified in the Regulations.

Violation of the obligations to provide information to the Supervisory Board referred to in this point, constituting a violation of the Model, entails the application of a disciplinary sanction (see section on sanctions system). In addition, pursuant to Article 6 paragraph 2 bis of the Decree (as amended by Law 179/2017), anyone who violates the measures put in place for the protection of the reporter as well as anyone who makes with malice or gross negligence reports that turn out to be unfounded is subject to a disciplinary sanction.

The information, indications, reports or reports stipulated in the Model are kept by the Body in a special file (computerized or hard copy) to which only members of the O.d.V. are allowed access.

5. THE DISCIPLINARY SYSTEM

5.1 General principles and methods of implementation.

The Decree indicates, as a condition for effective implementation of the model, the introduction of a disciplinary system suitable for sanctioning non-compliance with the provisions indicated in the model itself.

Therefore, the establishment of an adequate disciplinary system is an essential prerequisite for the exculpatory value of the organizational model with respect to the administrative liability of the entity.

As a result, a disciplinary system was created that provides for a gradual scale of penalties, from the mildest to the most severe, respecting the principle of proportionality between the failure detected and the penalty imposed.

The application of the provisions of the disciplinary system set forth in the Model does not replace or presuppose the imposition of additional, possible sanctions of another nature (criminal, administrative,

tax), which may result from the same fact. However, if the violation committed also constitutes a crime that is the subject of charges by the judicial authorities and the Company is not able with the investigative tools at its disposal to arrive at a clear reconstruction of the facts, it may await the outcome of the judicial investigations before taking disciplinary action.

Violation individual provisions and rules of conduct set forth in the Model by employees always constitutes a disciplinary offense.

The measures specified in the Model, non-compliance with which is intended to be sanctioned, are communicated by internal circulars to all employees, posted in a place accessible to all and binding on all employees of the Company.

Disciplinary measures may be imposed on employees in accordance with provisions of Article 7 of the Workers' Statute and the CCNL (in the case of Insite Industria S.p.A. it is that for workers in the wood, cork, furniture, and industry sectors) as well as any applicable special regulations.

Compliance with the provisions of the Code of Ethics and the Model applies in the context of employment contracts of any type and nature, including those with Executives, project-based, part-time, etc., as well as in collaboration contracts falling under the so-called parasubordination.

Disciplinary proceedings are initiated at the instigation of the O.d.V., which also performs an advisory function throughout the proceedings.

In particular, the O.d.V., upon acquiring notice of a violation or alleged violation of the Code of Ethics or the Model, shall immediately take action to initiate the necessary investigations, guaranteeing the confidentiality of the person against whom proceedings are being taken.

If a violation is ascertained to have been *committed by an employee of the Company* (meaning any person bound by a subordinate employment relationship with the Company), the O.d.V. shall immediately inform the holder of disciplinary power, which in the case of Insite Industria S.p.a. will be the General Manager Personnel Manager and the delegated Employer.

If the violation concerns an *Executive of the Company*, the O.d.V. must notify not only the holder of the disciplinary power, in the person of the Co-Director in charge of Personnel, but also the Board of Directors, by written notice.

If the violation involves a *Director of the Company*, the O.d.V. must immediately notify the Chairman of the Board of Auditors and the Board of Directors, if not directly involved, by written notice.

In the event of a violation by a *member of the Board of Auditors*, the O.d.V. must immediately notify the Board of Directors, as well as the Board of Auditors, in the person of the Chairman,

If not directly involved, by written communication.

If a violation occurs on the part of *collaborators* or *external persons* acting on behalf of the Company, the Body informs the Board Directors and the Head of Function to which the contract or relationship refers by written notice. The bodies or functions holding disciplinary power shall initiate the proceedings within their competence for the purpose of charges and the possible application of sanctions.

Sanctions for violations of the provisions of the Code of Ethics and this Model are adopted by the bodies that are competent by virtue of the powers and attributions conferred on them by the Company's Articles of Association or internal regulations.

The SB monitors the application of disciplinary sanctions imposed.

In the course of the disciplinary procedure, all legal and contractual requirements related to the imposition of the disciplinary sanction, as well as the procedures, provisions and guarantees provided for in the Workers' Statute and the specific applicable CCNL shall be observed.

5.2 Penalties for employees.

At the time of writing this Model, the professional figures in Insit Industria S.p.A. are: managers, clerks and workers.

Workers and Clerks.

Conduct by employees in violation of the individual behavioral rules provided for in this Model constitutes disciplinary infractions. The disciplinary measures that may be imposed against the aforementioned workers, in compliance with the procedures provided for in Article 7 of the Workers' Statute and any applicable special regulations, are those provided for in the penalty system of the CCNL.

ART. 79 for workers provides:

- Verbal rebuke;
- Written rebuke;
- Fine not exceeding the amount of three hours' basic pay;
- Suspension from work and pay up to a maximum of three days;
- Dismissal.

ART 115 for employees provides:

- Verbal rebuke;
- Written reprimand;

- Fine not exceeding the amount of three hours' pay;
- Suspension from work, or from pay and work, for period not exceeding 5 days;
- Dismissal with notice;
- Dismissal without notice.

All the guarantees and provisions of the Workers' Statute and the relevant CCNL regarding the dispute procedure remain unaffected, including:

- the obligation - in connection with the application of any disciplinary measure - of the prior notification of the charge to the employee and hearing the employee's defense;
- the requirement-except in the case of a verbal reprimand-that the objection be made in writing and that the measure not be imposed until five days have elapsed since receipt of the notice of the charge (during which time the employee may present his or her justifications);
- The obligation to notify the employee in writing of the disciplinary action, which must be substantiated.

With regard to the investigation of infractions, disciplinary measures, and imposition of sanctions, the powers already granted, within the limits of their respective competencies, to corporate management remain unchanged.

Without prejudice to the Company's obligations arising from the Workers' Statute and the relevant CCNL, the sanctionable behaviors that constitute violations of this model are as follows:

- 1) Violation the employee of internal procedures provided for in this Model (e.g. non-compliance with prescribed procedures, omission of communications to the Supervisory Board regarding prescribed information, etc.) or adoption, in the performance of activities related to Sensitive Areas, of conduct that does not comply with the requirements of the Model.
- 2) Violation of internal procedures provided for in this Model or adoption, in the performance of activities related to Sensitive Areas, of conduct that does not comply with the requirements of this Model that exposes the company to an objective situation of risk of committing one or more of the crimes provided for in the Decree.
- 3) Adoption, in the performance of activities related to Sensitive Areas, of conduct that does not comply with the prescriptions of this Model and unequivocally directed to the commission of one or more of the offenses provided for in the Decree.

4) Adoption, in the performance of activities related to Sensitive Areas, of conduct clearly in violation of the requirements of this Model, such as to determine the concrete application against the company of sanctions provided by the Decree.

Disciplinary sanctions will be commensurate with the employee's level of responsibility and autonomy, existence of any previous disciplinary record against him or her, intentionality of his or behavior as well as the seriousness of the behavior, by which is meant the level of risk to which the Company can reasonably be considered to be exposed - pursuant to and for the purposes of the Decree - as a result of the conduct censured.

The disciplinary system is subject to constant verification and evaluation by the Supervisory Board, the General Manager in charge of Personnel and the delegated Employer, the latter remaining responsible for the concrete application of the disciplinary measures outlined herein upon any report by the Supervisory Board and after hearing the hierarchical superior of the perpetrator of the censured conduct.

Executives.

The managerial relationship is characterized by its eminently fiduciary nature, and therefore the behavior of the *Executive* not only reflects within the Company, constituting a model and example for all those who work there, but also affects the external image of the same. Therefore, compliance by the Company's executives with the requirements of the Code of Ethics, the Model and its implementation procedures constitutes an essential element of the executive employment relationship.

With respect to *Executives* who have committed a violation of the Code of Ethics, the Model or the procedures established to implement it, the function holding disciplinary power initiates the procedures within its competence to make the relevant charges and apply the most appropriate sanctioning measures, in accordance with the provisions of the Executives' CCNL and in compliance with the procedures set forth Article 7 of the Workers' Statute (in the case of disciplinary dismissal pursuant to the most recent case law).

Sanctions must be applied in accordance with the principles of gradualness and proportionality with respect to the seriousness the fact and guilt or possible malice. Among other things, with the notice, the revocation of any proxies/delegations entrusted to the person concerned may be ordered as a precautionary measure, up to and including the possible termination of the employment relationship in the presence of violations so serious as to break the fiduciary relationship with the Company.

Administrators.

In the case of violation of the Model by the Directors, the Supervisory Board will promptly inform the Board of Directors and the Board of Statutory Auditors, who , will

will inform the Shareholders' Meeting, and take appropriate measures, which in the event malicious violations of the organizational model may also result removal from office and from any economic rights.

Mayors.

If one or more Statutory Auditors commit the violation, the Supervisory Board must immediately notify the Board of Directors, in the person of the Chairman and Joint General Managers, and the Board of Statutory Auditors, in the person of the Chairman, if not directly involved, by written notice.

The recipients of the information from the Supervisory Board may take appropriate measures as provided by law, including, for example, convening the Shareholders' Meeting, in order to take the most appropriate measures provided by law.

The Board of Directors, in the event of violations such as to constitute just cause for revocation, shall propose to the General Meeting of Shareholders the adoption of measures within its competence and take such further steps as are required by law.

External collaborators and partners.

Any behavior engaged in by External Collaborators or Partners that is contrary to the lines of conduct indicated by this Model and such as to entail the risk of committing an offense sanctioned by the Decree may result in the termination of the contractual relationship.