



**ORGANIZATIONAL AND
MANAGEMENT MODEL
PURSUANT TO LEGISLATIVE**

DECREE 231/2001 GENERAL

SECTION

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Three handwritten signatures are stacked vertically on the right side of the page. The top signature is in blue ink and appears to read "mvogel". The middle signature is in black ink and appears to be "C. Colombo". The bottom signature is in black ink and appears to be "F. Lavorato". Each signature is positioned above a horizontal line.

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1. INTRODUCTION

This document describes the Organization and Management Model that the Organization's Board of Directors has prepared in order to comply with the provisions of Legislative Decree 231/2001 relating to the following offenses:

- **Manslaughter and serious and very serious negligent injury (Article 25 *septies* of Legislative Decree 231/01);**
- **Environmental crimes (Article 25-*undecies* of Legislative Decree 231/01);**
- **Offenses against the Public Administration (Articles 24 *bis* and 25 of Legislative Decree 231/01);**
- **Other criminal offenses provided for by Legislative Decree 231/01.**

2. LEGISLATIVE AND REGULATORY FRAMEWORK

2.1 The Administrative Liability of Legal Persons

Legislative Decree No. 231 of June 8, 2001, implementing Delegated Law No. 300 of September 29, 2000, introduced in Italy the "*Regulation of the administrative liability of legal persons, companies, and associations, including those without legal personality*" (hereinafter, for brevity, also referred to as "**Legislative Decree No. 231 of 2001**" or the "Decree"), which is part of a broad legislative process to combat corruption and brings Italian legislation on the liability of legal persons into line with certain international conventions previously signed by Italy.

Legislative Decree No. 231 of 2001 therefore establishes a system of administrative liability (essentially equivalent to criminal liability) for legal entities¹(Entities) which is added to the liability of the natural person who actually committed the offense and which aims to involve, in the punishment of the offense, the Entities in whose interest or to whose advantage the offense was committed. This administrative liability applies only to the offenses strictly listed in Legislative Decree No. 231 of 2001.

This extension of liability essentially aims to involve the assets of companies and, ultimately, the economic interests of shareholders in the punishment of certain crimes. Until the decree in question came into force, shareholders did not suffer any direct consequences from crimes committed in the interests or for the benefit of their company by directors and/or employees.

Regulatory innovation, therefore, has significant consequences; since the law came into force, legal entities and their shareholders can no longer consider themselves uninvolved in crimes committed by directors and/or employees, and therefore have every interest in implementing a system to control and monitor them, so as to exclude or limit the criminal liability of the

¹ Article 1 of Legislative Decree No. 231 of 2001 limited the scope of the subjects covered by the legislation to "*entities with legal personality, companies, and associations, including those without legal personality.*" In light of this, the legislation applies to:

- private entities, i.e., entities with legal personality and associations "even without" legal personality legal personality;
- public entities, i.e., entities with public status but without public powers (so-called "public economic entities");
- entities with mixed public/private legal personality (so-called "mixed companies").

The following are excluded from the list of recipients: the State, local public authorities (regions, provinces, municipalities, and mountain communities), non-economic public bodies, and, in general, all bodies that perform constitutional functions (Chamber of Deputies, Senate of the Republic, Constitutional Court, General Secretariat of the Presidency of the Republic, C.S.M., etc.).

companies.

According to the provisions of Legislative Decree 231/2001, companies are directly and independently subject to both financial and disqualification penalties in relation to crimes attributed to persons functionally linked to the company pursuant to Article 5 of the decree.

Since the aim of the law is not only to punish but also to prevent the commission of crimes, the legislator has established a general exemption in some cases and a reduction in penalties in others, if the entity adopts an appropriate prevention system.

In particular, Article 6 of the Decree provides for a specific form of exemption from liability if, in the event of a crime committed by a person in a senior position, the entity can demonstrate that, prior to the commission of the crime, it had adopted and effectively implemented organizational and management models suitable for preventing crimes of the type that occurred.

Liability is excluded if the above conditions are met, as a whole, at the time the crime or offense is committed; however, even the adoption and implementation of the "model" after the commission of the crime or offense still has positive effects in terms of the penalties that can be imposed on the entity (Articles 12, paragraph 3, 17, paragraph 1, letter c), and 18, paragraph 1, of the Decree).

The administrative liability of the company is, in any case, excluded if the senior managers and/or their the persons concerned acted in their own exclusive interest or in the interest of third parties².

In the case of an offense committed by "senior" individuals, Article 6, paragraph 1, of the aforementioned decree provides for a specific form of exemption from liability if the Entity demonstrates that:

- a) the management body adopted and effectively implemented, prior to the commission of the offense, organizational and management models suitable for preventing crimes of the type that occurred;
- b) the task of supervising the functioning and observance of the Models and ensuring their updating has been entrusted to a body within the entity with autonomous powers of initiative and control;
- c) the persons who committed the crimes and offenses acted by fraudulently circumventing the aforementioned Models;
- d) there was no omission or insufficient supervision by the body referred to in letter b).

In the event of a crime committed by persons subject to the management or supervision of others, the company is liable if the crime occurred due to non-compliance with management and supervision obligations; non-compliance is to be excluded, as specified in Article 7 of the decree, if, prior to the commission of the crime, the entity adopted and effectively implemented a Model suitable for preventing crimes of the type that occurred.

Effective implementation, Article 7 continues, is guaranteed by:

- a) periodic review and possible modification of the model when significant violations of the requirements are discovered or significant changes in the organization or activity occur;
- b) a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model. The

Models must also meet the following requirements (Article 6, paragraph 2):

- identify activities in which crimes and offenses may be committed;

² Art. 5, paragraph 2, of Legislative Decree 231/2001: "Liability of the entity - The entity shall not be liable if the persons referred to in paragraph 1 acted in their own exclusive interest or in the interest of third parties."

- provide for specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to crimes and offenses;
- identify methods of managing financial resources that are suitable for preventing the commission of crimes;
- provide for information obligations towards the body responsible for monitoring compliance with and the functioning of the models;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model;
- in relation to the nature and size of the organization and the type of activity carried out, provide for appropriate measures to ensure that the activity is carried out in compliance with the law and to promptly detect and eliminate situations of risk.

Article 4 of the Decree also specifies that in certain cases and under the conditions set out in Articles 7, 8, 9, and 10 of the Criminal Code, entities with their main office in Italy are administratively liable for crimes committed abroad by individuals (as identified below), provided that the country where the crime was committed does not take action against those entities.

2.2 Persons subject to Legislative Decree No. 231 of 2001

The subjects who, by committing a crime in the interest or to the advantage of the Entity, may determine its liability are listed below:

- (i) natural persons who hold senior positions (representation, administration, or management of the Entity or one of its organizational units with financial and functional autonomy, or persons who exercise, in fact, management and control: so-called "**Senior Management**");
- (ii) natural persons subject to the management or supervision of one of the Senior Managers, known as "**Subordinates**".

In this regard, it should be noted that it is not necessary for the Subjects to have an employment relationship with the Entity, as this concept also includes *"those workers who, although not employees of the entity, have a relationship with it such that there is an obligation of supervision on the part of the entity's management: for example, agents, partners in joint ventures, so-called parasubordinati in general, distributors, suppliers, consultants, and collaborators."*⁽³⁾

In fact, according to prevailing doctrine, situations in which a particular task is entrusted to external collaborators, who are required to perform it under the direction or control of senior managers, are relevant for the purposes of the entity's administrative liability.

However, it should be reiterated that the Entity is not liable, by express provision of law (Article 5, paragraph 2, of the Decree), if the aforementioned persons have acted in their own exclusive interest or in the interest of third parties. In any case, their conduct must be attributable to that "organic" relationship for which the acts of the natural person can be attributed to the Entity.

³ As stated in Assonime Circular No. 68 of November 19, 2002.

2.3 Predicate Offenses

a) Unlawful receipt of payments, fraud against the State, a public body or the European Union or for the purpose of obtaining public funds, computer fraud against the State or a public body, and fraud in public procurement (Art. 24, Legislative Decree No. 231/2001).

- Embezzlement of public funds (Art. 316-bis of the Italian Criminal Code);
- Misappropriation of public funds (Art. 316-ter of the Italian Criminal Code);
- Fraud against the State or other public body or the European Communities (Article 640, paragraph 2, no. 1, of the Italian Criminal Code);
- Aggravated fraud for the purpose of obtaining public funds (Article 640 *bis* of the Italian Criminal Code);
- Computer fraud against the State or other public body (Article 640 *ter* of the Italian Criminal Code);
- Fraud in public procurement (Article 356 of the Italian Criminal Code);
- Fraud against the European Agricultural Fund (Art. 2, Law No. 898 of December 23, 1986);
- Disruption of public auctions (Article 353 of the Italian Criminal Code);
- Interference with the freedom of choice of contractor (Article 353 *bis* of the Italian Criminal Code).

b) Computer crimes and unlawful data processing (Art. 24 *bis*, Legislative Decree No. 231/2001).

- Computer documents (Article 491 *bis* of the Italian Criminal Code);
- Unauthorized access to a computer or telecommunications system (Article 615 *ter* of the Italian Criminal Code);
- Possession, dissemination, and unlawful installation of equipment, codes, and other means used to access computer or telecommunications systems (Article 615 *quater* of the Italian Criminal Code);
- Illegal interception, obstruction, or interruption of computer or telecommunications communications (Article 617 *quater* of the Italian Criminal Code);
- Possession, dissemination, and unlawful installation of equipment and other means designed to intercept, prevent, or interrupt computer or telecommunications communications (Article 617 *quinquies* of the Criminal Code);
- Damage to information, data, and computer programs (Article 635 *bis* of the Italian Criminal Code);
- Damage to information, data, and computer programs used by the State or other public body or in any case of public utility (Article 635 *ter* of the Italian Criminal Code);
- Damage to computer or telecommunications systems (Article 635 *quater* of the Italian Criminal Code);
- Possession, dissemination, and unlawful installation of equipment, devices, or computer programs intended to damage or interrupt a computer or telecommunications system (Article 635 *quater*.1 of the Italian Criminal Code)
- Damage to public utility computer or telecommunications systems (Article 635 *quinquies* of the Italian Criminal Code);
- Computer fraud by electronic signature certifiers (Article 640 *quinquies* of the Italian Criminal Code);
- Violation of the rules on national cyber security (Article 1, paragraph 11, Decree Law No. 105 of September 21, 2019);
- Extortion (Article 629, paragraph 3 of the Italian Criminal Code).

c) Organized crime offenses (Art. 24 *ter*, Legislative Decree No. 231/2001).

- Mafia-type associations, including foreign ones (Art. 416 *bis* of the Italian Criminal Code);
- Criminal association (Art. 416 of the Italian Criminal Code);
- Political-mafia electoral exchange (Art. 416 *ter* of the Italian Criminal Code);
- Kidnapping for the purpose of extortion (Art. 630 of the Italian Criminal Code);

- Association for the purpose of illicit trafficking in narcotic or psychotropic substances (Article 74 of Presidential Decree No. 309 of October 9, 1990);
- All crimes committed under the conditions set forth in Article 416 *bis* of the Italian Criminal Code to facilitate the activities of the associations referred to in the same article (Law 203/91);
- Illegal manufacture, introduction into the country, sale, transfer, possession, and carrying in a public place or a place open to the public of weapons of war or war-like weapons or parts thereof, explosives, illegal weapons, and multiple common firearms, excluding those provided for in Article 2, paragraph 3, of Law No. 110 of April 18, 1975 (Article 407, paragraph 2, letter a), number 5, Code of Criminal Procedure).

d) Embezzlement, misappropriation of money or movable property, extortion, undue inducement to give or promise benefits, corruption (Article 25, Legislative Decree No. 231/2001).

- Extortion (Article 317 of the Italian Criminal Code);
- Bribery for the exercise of a function (Article 318 of the Italian Criminal Code);
- Bribery for an act contrary to official duties (Article 319 of the Criminal Code);
- Aggravating circumstances (Article 319 *bis* of the Italian Criminal Code);
- Corruption in judicial proceedings (Article 319 *ter* of the Italian Criminal Code);
- Undue inducement to give or promise benefits (Article 319 *quater* of the Italian Criminal Code);
- Bribery of a person in charge of a public service (Article 320 of the Italian Criminal Code);
- Penalties for the corruptor (Article 321 of the Italian Criminal Code);
- Instigation to corruption (Article 322 of the Italian Criminal Code);
- Embezzlement, misappropriation of money or movable property, extortion, undue inducement to give or promise benefits, corruption and incitement to corruption, of members of international courts or bodies of the European Communities or international parliamentary assemblies or international organizations and of officials of the European Communities and foreign states (Article 322 *bis* of the Criminal Code);
- Trafficking in illicit influences (Article 346 *bis* of the Italian Criminal Code);
- Embezzlement (limited to the first paragraph) (Article 314 of the Italian Criminal Code);
- Misappropriation of money or movable property (Article 314 *bis* of the Italian Criminal Code);
- Embezzlement by taking advantage of another person's mistake (Article 316 of the Italian Criminal Code);

e) Counterfeiting of coins, public credit cards, revenue stamps, and identification instruments or marks (Art. 25 *bis*, Legislative Decree No. 231/2001).

- Alteration of coins (Art. 454 of the Italian Criminal Code);
- Counterfeiting of coins, spending and introduction into the State, by prior agreement, of counterfeit coins (Art. 453 of the Italian Criminal Code);
- Spending and introducing counterfeit coins into the country without prior agreement (Art. 455 of the Italian Criminal Code);
- Spending counterfeit coins received in good faith (Article 457 of the Italian Criminal Code);
- Counterfeiting of revenue stamps, introduction into the country, purchase, possession, or circulation of counterfeit revenue stamps (Article 459 of the Italian Criminal Code);
- Counterfeiting of watermarked paper used for the manufacture of public credit cards or revenue stamps (Article 460 of the Criminal Code);
- Manufacture or possession of watermarks or instruments intended for the counterfeiting of coins, revenue stamps, or watermarked paper (Article 461 of the Italian Criminal Code);
- Use of counterfeit or altered revenue stamps (Article 464 of the Italian Criminal Code);

- Counterfeiting, altering, or using trademarks or distinctive signs, or patents, models, and designs (Article 473 of the Italian Criminal Code);
- Introduction into the country and trade in products with false marks (Article 474 of the Italian Criminal Code);

f) Crimes against industry and commerce (Art. 25 *bis*.1, Legislative Decree No. 231/2001).

- Unlawful competition involving threats or violence (Article 513 *bis* of the Criminal Code);
- Disruption of industry or trade (Article 513 of the Italian Criminal Code);
- Fraud against national industries (Article 514 of the Italian Criminal Code);
- Fraud in the exercise of trade (Article 515 of the Italian Criminal Code);
- Sale of non-genuine foodstuffs as genuine (Article 516 of the Italian Criminal Code);
- Sale of industrial products with false markings (Article 517 of the Italian Criminal Code);
- Manufacture and trade of goods made by usurping industrial property rights (Art. 517 *ter* of the Italian Criminal Code);
- Counterfeiting of geographical indications or designations of origin of agri-food products (Article 517 *quater* of the Italian Criminal Code);

g) Corporate crimes (Art. 25 *ter*, Legislative Decree No. 231/2001).

- False corporate communications (Article 2621 of the Italian Civil Code);
- Minor offenses (Article 2621 *bis* of the Italian Civil Code);
- False corporate communications by listed companies (Article 2622 of the Italian Civil Code);
- Obstruction of control (Article 2625, paragraph 2, of the Italian Civil Code);
- Undue return of contributions (Article 2626 of the Italian Civil Code);
- Illegal distribution of profits and reserves (Article 2627 of the Italian Civil Code);
- Illegal transactions involving shares or quotas of the company or its parent company (Article 2628 of the Italian Civil Code);
- Transactions to the detriment of creditors (Article 2629 of the Italian Civil Code);
- Failure to disclose conflicts of interest (Article 2629-bis of the Italian Civil Code);
- Fictitious formation of capital (Article 2632 of the Italian Civil Code);
- Undue distribution of company assets by liquidators (Article 2633 of the Italian Civil Code);
- Corruption between private individuals (Article 2635 of the Italian Civil Code);
- Instigation of corruption between private individuals (Article 2635-bis of the Italian Civil Code);
- Unlawful influence on the shareholders' meeting (Article 2636 of the Italian Civil Code);
- Market manipulation (Article 2637 of the Italian Civil Code);
- Obstruction of the exercise of the functions of public supervisory authorities (Article 2638, paragraphs 1 and 2 of the Italian Civil Code);
- False or omitted declarations for the issue of the preliminary certificate (Article 54 of Legislative Decree 19/2023).

h) Offenses for the purposes of terrorism or subversion of the democratic order provided for by the Criminal Code and special laws (Art. 25 *quater*, Legislative Decree No. 231/2001).

- Subversive associations (Article 270 of the Italian Civil Code);
- Associations for the purposes of terrorism, including international terrorism, or subversion of the democratic order (Article 270 *bis* of the Criminal Code);
- Aggravating and mitigating circumstances (Art. 270 *bis*.1 of the Italian Criminal Code);
- Assistance to associates (Art. 270 *ter* of the Italian Criminal Code);
- Recruitment for the purposes of terrorism, including international terrorism (Article 270 *quater* of the Italian Criminal Code);

- Organization of transfers for terrorist purposes (Art. 270 *quater*.1);
- Training for activities for the purposes of terrorism, including international terrorism (Article 270 *quinquies* of the Italian Criminal Code)
- Financing of conduct for terrorist purposes (Law No. 153/2016, Article 270 *quinquies*.1 of the Italian Criminal Code);
- Theft of seized property or money (Article 270 *quinquies*.2 of the Criminal Code);
- Conduct for the purposes of terrorism (Article 270 *sexies* of the Italian Criminal Code);
- Attacks for terrorist or subversive purposes (Article 280 of the Italian Criminal Code);
- Acts of terrorism using deadly devices or explosives (Art. 280 *bis* of the Italian Criminal Code);
- Acts of nuclear terrorism (Article 280 *ter* of the Italian Criminal Code);
- Kidnapping for the purposes of terrorism or subversion (Article 289 *bis* of the Italian Criminal Code);
- Kidnapping for the purpose of coercion (Article 289-*ter* of the Italian Criminal Code);
- Instigation to commit any of the crimes referred to in Sections 1 and 2 (Article 302 of the Criminal Code);
- Political conspiracy through agreement (Article 304 of the Italian Criminal Code);
- Political conspiracy through association (Article 305 of the Italian Criminal Code);
- Armed gang: formation and participation (Article 306 of the Italian Criminal Code);
- Assistance to participants in conspiracy or armed gang (Article 307 of the Criminal Code);
- Seizure, hijacking, and destruction of an aircraft (Law No. 342/1976, Article 1);
- Damage to ground installations (Law No. 342/1976, Article 2);
- Penalties (Law No. 422/1989, Art. 3);
- Active repentance (Legislative Decree No. 625/1979, Art. 5);
- New York Convention of December 9, 1999 (Article 2).

i) Practices involving female genital mutilation (Article 25 *quater*.1, Legislative Decree No. 231/2001).

- Practices involving female genital mutilation (Article 583 *bis* of the Criminal Code).

j) Crimes against the individual (Art. 25 *quinquies*, Legislative Decree No. 231/2001).

- Reduction or maintenance in slavery or servitude (Art. 600 of the Italian Criminal Code);
- Child prostitution (Article 600 *bis* of the Criminal Code);
- Child pornography (Art. 600 *ter* of the Italian Criminal Code)
- Possession of or access to pornographic material (Art. 600 *quater*);
- Virtual pornography (Art. 600 *quater*.1 of the Italian Criminal Code);
- Tourism initiatives aimed at the exploitation of child prostitution (Art. 600 *quinquies* of the Italian Criminal Code);
- Human trafficking (Art. 601 of the Italian Criminal Code);
- Purchase and sale of slaves (Art. 602 of the Italian Criminal Code);
- Illegal intermediation and exploitation of labor (Art. 603 *bis* of the Italian Criminal Code);
- Solicitation of minors (Article 609-11 of the Italian Criminal Code).

k) Market abuse offenses (Art. 25-*sexies*, Legislative Decree No. 231/2001).

- Market manipulation (Art. 185 Legislative Decree No. 58/1998);
- Abuse or unlawful disclosure of inside information. Recommendation or inducement of others to commit insider trading (Art. 184 Legislative Decree No. 58/1998).

l) Other cases of market abuse (Article 187 *quinquies* of the Consolidated Law on Finance).

- Prohibition of market manipulation (Article 15 of EU Regulation No. 596/2014)

- Prohibition of insider trading and unlawful disclosure of inside information (Article 14 of EU Regulation No. 596/2014).

m) Offenses of manslaughter and serious or very serious negligent injury, committed in violation of accident prevention and occupational health and safety regulations (Article 25 *septies*, Legislative Decree No. 231/2001).

- Negligent personal injury (Article 590 of the Italian Criminal Code);
- Manslaughter (Article 589 of the Italian Criminal Code).

n) Receiving stolen goods, money laundering, and use of money, goods, or benefits of illegal origin, as well as self-laundering (Art. 25 *octies*, Legislative Decree No. 231/2001).

- Receiving stolen goods (Article 648 of the Italian Criminal Code);
- Money laundering (Article 648-bis of the Italian Criminal Code);
- Use of money, goods, or benefits of illicit origin (Article 648-ter of the Criminal Code) [article amended by Legislative Decree 195/2021];
- Self-laundering (Article 648-ter.1 of the Italian Criminal Code).

o) Crimes relating to non-cash payment instruments (Art. 25 *octies*.1, Legislative Decree No. 231/2001).

- Unlawful use and falsification of non-cash payment instruments (Article 493 *ter* of the Italian Criminal Code);
- Possession and dissemination of equipment, devices, or computer programs intended for committing crimes involving non-cash payment instruments (Article 493 *quater* of the Italian Criminal Code);
- Computer fraud aggravated by the transfer of money, monetary value, or virtual currency (Art. 640 *ter* of the Italian Criminal Code);
- Fraudulent transfer of assets (Article 512 *bis* of the Italian Criminal Code).

p) Other cases involving non-cash payment instruments (Article 25 *octies*.1, paragraph 2, Legislative Decree No. 231/2001).

- Other cases.

q) Crimes relating to copyright infringement (Art. 25 *novies*, Legislative Decree No. 231/2001).

- Making available to the public, in a telematic network system, through connections of any kind, a protected intellectual work, or part thereof (Article 171, Law No. 633/1941, paragraph 1, letter a) *bis*);
- Offenses referred to in the previous point committed on works belonging to others not intended for publication if the honor or reputation is offended (Article 171, Law No. 633/1941, paragraph 3);
- Unlawful duplication, for profit, of computer programs; importation, distribution, sale, or possession for commercial or business purposes, or leasing of programs contained in media not marked by the SIAE (Italian Society of Authors and Publishers); provision of means to remove or circumvent the protection devices of computer programs (Art. 171 *bis*, Law No. 633/1941, paragraph 1);
- Reproduction, transfer to another medium, distribution, communication, presentation, or demonstration in public of the contents of a database; extraction or reuse of the database;

distribution, sale, or leasing of databases (Art. 171 *bis* Law No. 633/1941, paragraph 2);

- Unauthorized duplication, reproduction, transmission, or public dissemination by any means, in whole or in part, of intellectual works intended for television, cinema, or the sale or rental of discs, tapes, or similar media, or any other media containing phonograms or videograms of musical, cinematographic, or similar audiovisual works, or sequences of moving images; literary, dramatic, scientific or educational works, musical or dramatic-musical works, multimedia works, even if included in collective or composite works or databases; unauthorized reproduction, duplication, transmission or dissemination, sale or trade, transfer for any reason or unauthorized importation of more than fifty copies or specimens of works protected by copyright and related rights; inputting into a telematic network system, through connections of any kind, a work of intellectual property protected by copyright, or part thereof (Article 171 *ter* of Law No. 633/1941);
- Failure to communicate to the SIAE the identification data of media not subject to marking or false declaration (Article 171 *septies* of Law No. 633/1941);
- Fraudulent production, sale, import, promotion, installation, modification, use for public and private purposes of devices or parts of devices designed to decode conditional access audiovisual transmissions carried out via terrestrial, satellite, or cable means, in both analog and digital form (Article 171 *octies* of Law No. 633/1941).

r) Inducement not to make statements or to make false statements to the judicial authorities

(Art. 25-*decies*, Legislative Decree No. 231/2001).

- Inducement not to make statements or to make false statements to the judicial authorities (Art. 377 *bis* of the Italian Criminal Code).

s) Environmental crimes (Art. 25-*undecies*, Legislative Decree No. 231/2001).

- Environmental pollution (Art. 452 *bis* of the Italian Criminal Code);
- Environmental disaster (Article 452 *quater* of the Criminal Code);
- Negligent crimes against the environment (Art. 452 *quinquies* of the Italian Criminal Code);
- Trafficking and abandonment of highly radioactive material (Art. 452 *sexies* of the Italian Criminal Code);
- Aggravating circumstances (Art. 452 *octies* of the Italian Criminal Code);
- Killing, destruction, capture, removal, or possession of specimens of protected wild animal or plant species (Article 727 *bis* of the Italian Criminal Code);
- Destruction or deterioration of habitats within a protected site (Article 733 *bis* of the Italian Criminal Code);
- Import, export, possession, use for profit, purchase, sale, display, or possession for sale or commercial purposes of protected species (Law No. 150/1992, Art. 1, Art. 2, Art. 3 *bis*, and Art. 6);
- Discharge of industrial wastewater containing hazardous substances; discharge onto the ground, into the subsoil, and into groundwater; discharge into the sea by ships or aircraft (Legislative Decree No. 152/2006, Art. 137);
- Unauthorized waste management activities (Legislative Decree No. 152/2006, Art. 256);
- Pollution of soil, subsoil, surface water, or groundwater (Legislative Decree No. 152/2006, Art. 257);

- Illegal trafficking of waste (Legislative Decree No. 152/2006, Art. 259);
- Violation of obligations to communicate, keep mandatory records and forms (Legislative Decree No. 152/2006, Art. 258);
- Activities organized for the illegal trafficking of waste (Article 452 *quaterdecies* of the Italian Criminal Code);
- False statements regarding the nature, composition, and chemical-physical characteristics of waste in the preparation of a waste analysis certificate; entry of a false waste analysis certificate into the SISTRI system; omission or fraudulent alteration of the paper copy of the SISTRI form
 - waste handling area during transport (Legislative Decree No. 152/2006, Art. 260 *bis*);
- Penalties (Legislative Decree No. 152/2006, Art. 279);
- Intentional pollution caused by ships (Legislative Decree No. 202/2007, Art. 8);
- Negligent pollution caused by ships (Legislative Decree No. 202/2007, Art. 9);
- Cessation and reduction of the use of harmful substances (Law No. 549/1993, Art. 3);
- Abandonment of waste in specific cases (Legislative Decree No. 152/2006, Art. 255 *bis*);
- Abandonment of hazardous waste (Legislative Decree No. 152/2006, Art. 255 *ter*);
- Illegal combustion of waste (Legislative Decree No. 152/2006, Art. 256 *bis*);
- Aggravating circumstances in business activities (Legislative Decree No. 152/2006, Art. 259 *bis*).

t) Employment of third-country nationals whose stay is irregular.

- Provisions against illegal immigration (Article 12, paragraphs 3, 3 bis, 3 ter, and 5, Legislative Decree No. 286/1998);
- Employment of third-country nationals whose stay is irregular (Article 22, paragraph 12 bis, Legislative Decree No. 286/1998).

u) Racism and xenophobia (Article 25 *terdecies*, Legislative Decree No. 231/2001).

- Propaganda and incitement to commit crimes on grounds of racial, ethnic, and religious discrimination (Article 604 *bis* of the Criminal Code).

v) Fraud in sports competitions, illegal gambling or betting, and gambling using prohibited devices (Art. 25 *quaterdecies*, Legislative Decree No. 231/2001).

- Fraud in sports competitions (Article 1, Law No. 401/1989);
- Illegal gambling or betting (Article 4, Law No. 401/1989).

w) Tax offenses (Art. 25 *quinesdecies*, Legislative Decree No. 231/2001).

- Fraudulent declaration through the use of invoices or other documents for non-existent transactions (Article 2, Legislative Decree No. 74/2000);
- Fraudulent declaration through other means (Art. 3, Legislative Decree No. 74/2000);
- Issuing invoices or other documents for non-existent transactions (Art. 8, Legislative Decree No. 74/2000);
- Concealment or destruction of accounting documents (Art. 10, Legislative Decree No. 74/2000);
- Fraudulent evasion of tax payments (Art. 11, Legislative Decree No. 74/2000);
- Unfaithful declaration (Art. 4, Legislative Decree No. 74/2000);
- Failure to file a tax return (Art. 5, Legislative Decree No. 74/2000);
- Undue compensation (Art. 10 *quater*, Legislative Decree No. 74/2000);

x) Smuggling (Art. 25-sexiesdecies, Legislative Decree No. 231/2001).

- Smuggling due to failure to declare (Art. 78 Legislative Decree No. 141/2024);
- Smuggling due to false declaration (Art. 79, Legislative Decree No. 141/2024);
- Smuggling in the movement of goods by sea, air, and on border lakes (Art. 80, Legislative Decree No. 141/2024);
- Smuggling for improper use of goods imported with total or partial reduction of duties (Article 81, Legislative Decree No. 141/2024);
- Smuggling in the export of goods eligible for duty refunds (Art. 82, Legislative Decree No. 141/2024);
- Smuggling in temporary export and in special use and processing regimes (Art. 83, Legislative Decree No. 141/2024);
- Smuggling of manufactured tobacco (Article 84, Legislative Decree No. 141/2024);
- Aggravating circumstances of the crime of smuggling manufactured tobacco (Article 85, Legislative Decree No. 141/2024);
- Criminal association for the purpose of smuggling manufactured tobacco (Art. 86, Legislative Decree No. 141/2024);
- Equivalence of attempted crime to consummated crime (Art. 87, Legislative Decree No. 141/2024);
- Aggravating circumstances of smuggling (Article 88, Legislative Decree No. 141/2024);
- Evasion of assessment or payment of excise duty on energy products (Art. 40, Legislative Decree No. 504/1995);
- Evasion of assessment or payment of excise duty on manufactured tobacco (Article 40 *bis*, Legislative Decree No. 504/1995);
- Illegal production of alcohol and alcoholic beverages (Art. 41 Legislative Decree No. 504/1995);
- Association for the purpose of clandestine manufacture of alcohol and alcoholic beverages (Art. 42, Legislative Decree No. 504/1995);
- Evasion of assessment and payment of excise duty on alcohol and alcoholic beverages (Art. 43, Legislative Decree No. 504/1995);
- Aggravating circumstances (Art. 45, Legislative Decree No. 504/1995);
- Alteration of devices, marks, and labels (Art. 46, Legislative Decree No. 504/1995).

y) Crimes against cultural heritage (Art. 25 *septiesdecies*, Legislative Decree No. 231/2001).

- Theft of cultural property (Article 518 *bis* of the Criminal Code);
- Misappropriation of cultural property (Article 518 *ter* of the Italian Criminal Code);
- Receiving stolen cultural property (Art. 518 *quater* of the Italian Criminal Code);
- Falsification of private documents relating to cultural heritage (Article 518-*octies* of the Italian Criminal Code);
- Violations relating to the disposal of cultural property (Article 518 *novies* of the Italian Criminal Code);
- Illegal importation of cultural heritage (Art. 518-*decies* of the Italian Criminal Code);
- Illegal removal or export of cultural property (Article 518-*undecies* of the Italian Criminal Code);
- Destruction, dispersion, deterioration, defacement, vandalism, and unlawful use of cultural or landscape heritage (Article 518-*duodecies* of the Criminal Code);
- Counterfeiting of works of art (Art. 518 *quaterdecies* of the Italian Criminal Code).

z) Money laundering of cultural heritage and devastation and looting of cultural and landscape heritage (Art. 25 *duodecies*, Legislative Decree No. 231/2001).

- Money laundering of cultural heritage (Art. 518 *sexies* of the Italian Criminal Code);
- Devastation and looting of cultural and landscape heritage (Article 518 *terdecies* of the Italian Criminal Code).

aa) Crimes against animals (Art. 25 *undevicies*)

- Killing of animals (Art. 544 *bis* of the Italian Civil Code);
- Animal abuse (Article 544 *ter* of the Criminal Code);
- Prohibited shows or events (Art. 544 *quater* of the Italian Criminal Code);
- Prohibition of animal fighting (Art. 544 *quinquies* of the Italian Criminal Code);
- Killing or harming animals belonging to others (Art. 638 of the Italian Criminal Code).

bb) Liability of entities for administrative offenses resulting from crimes (Art. 12, Law No. 9/2013).

- Trade in counterfeit or adulterated foodstuffs (Art. 442 of the Italian Criminal Code);
- Adulteration and counterfeiting of food substances (Art. 440 of the Italian Criminal Code);
- Trade in harmful foodstuffs (Article 444 of the Italian Criminal Code);
- Counterfeiting, alteration, or use of distinctive signs of intellectual works or industrial products (Art. 473 of the Italian Criminal Code);
- Introduction into the country and trade in products bearing false marks (Article 474 of the Italian Criminal Code);
- Fraud in the exercise of trade (Article 515 of the Italian Criminal Code);
- Sale of non-genuine foodstuffs as genuine (Article 516 of the Italian Criminal Code);
- Sale of industrial products with false marks (Art. 517 of the Italian Criminal Code);
- Counterfeiting of geographical indications and designations of origin of agri-food products (Article 517 *quater* of the Italian Criminal Code).

cc) Transnational crimes (Law No. 146/2006).

- Provisions against illegal immigration (Article 12, paragraphs 3, 3 *bis*, 3 *ter*, and 5, of the consolidated text referred to in Legislative Decree No. 286 of July 25, 1998);
- Association for the purpose of illicit trafficking in narcotic drugs or psychotropic substances (Article 74 of the Consolidated Law referred to in Presidential Decree No. 309 of October 9, 1990);
- Criminal association for the purpose of smuggling foreign manufactured tobacco (Article 291 *quater* of the consolidated text referred to in Presidential Decree No. 43 of January 23, 1973);
- Inducement not to make statements or to make false statements to the judicial authorities (Art. 377 *bis* of the Criminal Code);
- Aiding and abetting (Article 378 of the Italian Criminal Code);
- Criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type association, including foreign associations (Article 416-bis of the Italian Criminal Code).

dd) Adaptation of national legislation to Regulation (EU) 2023/1114 of the European Parliament and of the Council of May 31, 2023, on markets in crypto-assets and amending Regulations (EU) No. 10G3/2010 and (EU) No. 10G5/2010 and Directives 2013/36/EU and (EU) 201G/1G37 (Legislative Decree 12G/2024).

- Responsibility of the entity (Article 34 of Legislative Decree 129/2024);
- Prohibition of insider trading (Article 89 of Regulation (EU) 2023/1114);
- Prohibition of unlawful disclosure of inside information (Article 90 of Regulation (EU) 2023/1114);

- Prohibition of market manipulation (Art. 91 Regulation (EU) 2023/1114).

The criminal offenses listed above are set to increase due to the legislative trend to extend the administrative liability referred to in the Decree, also in line with international and EU obligations.

LIMONTA SPORT S.p.A. initially considered it a priority to develop an Organizational Model aimed solely at the offenses referred to in Article 25-*septies*, i.e., health and safety at work, and Article 25-*undecies*, relating to environmental offenses. Subsequently, the Company adopted an Organizational Model aimed at preventing crimes against the Public Administration (Articles 24 *bis* and 25) and other criminal offenses provided for by Legislative Decree 231/01 deemed abstractly applicable.

2.4 The penalties provided for in the Decree

Legislative Decree No. 231 of 2001 provides for the following types of penalties applicable to entities subject to the legislation:

- (a) administrative fines;
- (b) disqualification penalties;
- (c) confiscation of the price or profit of the offense;
- (d) publication of the judgment.

(a) The administrative fine, governed by Articles 10 et seq. of the Decree, is the penalty that must be applied, and the Entity is liable for its payment with its assets or common fund.

The legislator has adopted an innovative criterion for determining the penalty, requiring the judge to carry out two different and successive assessments. This results in a penalty that is more closely aligned with the seriousness of the offense and the economic conditions of the entity.

The first assessment requires the judge to determine the number of shares (in any case, no less than one hundred and no more than one thousand), taking into account:

- the seriousness of the offense;
- the degree of responsibility of the entity;
- the activities carried out to eliminate or mitigate the consequences of the offense and to prevent the commission further offenses.

During the second assessment, the judge determines the value of each share, within the minimum and maximum values predetermined in relation to the offenses punished, from a minimum of €258.00 to a maximum of €1,549.00. This amount is set "on the basis of the economic and financial conditions of the entity in order to ensure the effectiveness of the sanction" (Articles 10 and 11, paragraph 2, Legislative Decree No. 231 of 2001).

As stated in point 5.1. of the Report to the Decree, "*With regard to the methods for assessing the economic and financial conditions of the entity, the judge may use financial statements or other records that are suitable for providing a snapshot of these conditions. In certain cases, evidence may also be obtained by taking into account the size of the entity and its position in the market. (...) The judge will have no choice but to immerse himself, with the help of consultants, in the reality of the company, where he will also be able to obtain information on the economic, financial, and asset soundness of the entity.*"

Article 12 of Legislative Decree No. 231 of 2001 provides for a series of cases in which the financial penalty is reduced. These are summarized in the following table, with an indication of the reduction applied

and the conditions for applying the reduction.

Reduction	Requirements
1/2 (and cannot in any case exceed €103,291.00)	The perpetrator committed the offense primarily in their own interest or that of third parties, <u>and</u> the Entity did not derive any benefit or derived only a minimal benefit from it; <u>or</u> the financial damage caused is particularly minor.
from 1/3 to 1/2	[<u>Before</u> the opening statement of the first instance trial] The entity has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offense, or has in any case taken effective measures to do so; <u>or</u> an organizational model suitable for preventing crimes of the type that occurred has been implemented and made operational.
from 1/2 to 2/3	[<u>Before</u> the opening statement of the first instance trial] The Entity has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offense, or has in any case effectively taken steps to do so; <u>and</u> an organizational model suitable for preventing crimes of the type that occurred has been implemented and made operational.

(b) The following **disqualification sanctions** are provided for in the Decree and apply only in relation to the offenses for which they are expressly provided:

- disqualification from carrying out business activities;
- suspension or revocation of authorizations, licenses, or concessions functional to the commission of the offense;
- prohibition from contracting with the Public Administration, except to obtain public services;
- exclusion from benefits, financing, contributions, and subsidies, and/or revocation of those already granted;
- prohibition on advertising goods or services.

In order for disqualification sanctions to be imposed, at least one of the conditions set out in Article 13 of Legislative Decree No. 231 of 2001 must be met, namely:

of the conditions set out in Article 13 of Legislative Decree No. 231 of 2001, namely:

- *"the entity has derived significant profit from the offense and the offense was committed by persons in senior positions or by persons subject to the direction of others when, in this case, the commission of the offense was determined or facilitated by serious organizational deficiencies";* or

- "in the event of repeated offenses"⁴.

Furthermore, disqualification sanctions may also be requested by the Public Prosecutor and applied to the Entity by the judge as a precautionary measure, when:

- there is serious evidence to suggest that the Entity is liable for an administrative offense administrative offense dependent on a crime;
- there are well-founded and specific elements that suggest the existence of a real danger that offenses of the same nature as the one being prosecuted will be committed;
- the Entity has made a significant profit.

In any case, disqualification sanctions shall not be applied when the offense was committed in the prevailing interest of the perpetrator or third parties and the Entity derived minimal or no advantage from it, or the financial damage caused is particularly minor.

The application of disqualification sanctions is also excluded if the Entity has implemented the remedial measures provided for in Article 17 of Legislative Decree No. 231 of 2001 and, more specifically, when the following conditions are met:

- "the entity has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offense or has in any case taken effective measures to that end";
- "the entity has eliminated the organizational deficiencies that led to the offense by adopting and implementing organizational models suitable for preventing offenses of the type that occurred";
- "the entity has made the profits obtained available for confiscation."

Disqualification sanctions have a duration of no less than three months and no more than seven years, and the choice of the measure to be applied and its severity is made by the judge on the basis of the criteria indicated above for determining the financial penalty, "taking into account the suitability of the individual sanctions to prevent offenses of the type committed" (Article 14, Legislative Decree No. 231 of 2001).

With reference only to the crimes of extortion, undue inducement to give or promise benefits, or corruption, disqualification sanctions, if provided for with a duration of between three months and two years, may be reduced⁵ if the entity takes steps to ensure that:

- the criminal activity does not lead to further consequences;
- the evidence of the offenses and the identification of those responsible are ensured;
- the seizure of the sums or other benefits transferred is guaranteed;
- the organizational deficiencies that led to the offense are eliminated through the adoption and implementation of organizational models suitable for preventing offenses of the type that occurred.

The legislator then took care to specify that the prohibition of the activity is residual in nature with respect to other disqualification sanctions.

(c) Pursuant to Article 19 of Legislative Decree No. 231 of 2001, a conviction shall always include the **confiscation** - including equivalent confiscation - of the price (money or other economic benefit given or promised to induce or cause another person to commit the offense) or the profit (immediate economic benefit obtained) from the offense, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith.

⁴ Pursuant to Article 20 of Legislative Decree No. 231 of 2001, "recidivism occurs when an entity, already convicted at least once for a crime related to a crime, commits another offense within five years of the final conviction."

⁵ The benefit of reduced disqualification penalties was introduced by Law No. 3 of January 9, 2019, known as the "Anti-Corruption Law," which added paragraph 5bis to Article 25 of Legislative Decree 231/01.

(d) The publication of the conviction in one or more newspapers, in extract or in full, may be ordered by the judge, together with its posting in the municipality where the entity has its headquarters, when a disqualification sanction is applied. The publication is carried out by the clerk of the competent court and at the expense of the entity.

Seizure (Articles 53 and 54 of Legislative Decree 231/2001)

The Judicial Authority may also, pursuant to Decree 231, order: i) the preventive seizure of items that may be confiscated (Article 53); ii) the preventive seizure of the Entity's movable and immovable property if there are reasonable grounds to believe that the guarantees for the payment of the financial penalty, the costs of the proceedings or other sums due to the State are lacking or will be lost (Article 54).

2.5 Attempted crimes

In cases of attempted commission of the offenses covered by the Decree, the financial penalties (in terms of amount) and disqualification penalties (in terms of time) are reduced by one third to one half, while the imposition of penalties is excluded in cases where the Entity voluntarily prevents the action or event from being carried out (Article 26 of the Decree). In this case, the exclusion of the penalty is justified by the interruption of the relationship of identification between the entity and the person who acted in its name and on its behalf.

2.6 Offenses committed abroad

Pursuant to Article 4 of Legislative Decree 231/2001, the entity may be held liable in Italy for predicate offenses, as defined by the same decree, committed abroad.

The conditions on which the entity's liability for offenses committed abroad is based are as follows:

- The offense must be committed by a person functionally linked to the entity, pursuant to Article 5, paragraph 1, Legislative Decree 231/2001;
- The entity must have its main office in Italian territory;
- The entity may be held liable only in the cases and under the conditions provided for in Articles 7, 8, 9, and 10 of the Italian Criminal Code (in cases where the law provides that the guilty party, a natural person, is punished at the request of the Minister of Justice, proceedings against the entity shall only be brought if the request has also been made against the entity itself) and, in accordance with the principle of legality referred to in Article 2 of Legislative Decree 231/2001, only for crimes for which liability is provided for by an ad hoc legislative provision;
- Where the cases and conditions referred to in the aforementioned articles of the Criminal Code apply, proceedings against the State of the place where the offense was committed shall not proceed against the entity.

2.7 Exempting conduct

Articles 6 and 7 of Legislative Decree No. 231 of 2001 provide for specific forms of exemption from administrative liability of the Entity for crimes committed in the interest or to the advantage of the Entity itself by both Senior Managers and Subordinates (as defined in the previous paragraph).

In particular, in the case of offenses committed by Senior Managers, Article 6 of the Decree provides for exemption if the Entity itself demonstrates that:

- a) the management body adopted and effectively implemented, prior to the commission of the offense, an organizational and management model suitable for preventing offenses of the type that occurred ("Model");
- b) the task of supervising the functioning and observance of the Model and ensuring its updating has been entrusted to a body within the Entity ("**Supervisory Body**" or "SB"), with autonomous powers of initiative and control;
- c) the persons who committed the offense acted by fraudulently circumventing the Model;
- d) there was no omission or insufficient supervision on the part of the Supervisory Body.

With regard to the Subjects, Article 7 of the Decree provides for exemption from liability if, prior to the commission of the offense, the Entity has adopted and effectively implemented a Model suitable for preventing offenses of the type that occurred.

However, the exemption from liability of the Entity is not determined by the mere adoption of the Model, but by its effective implementation through the implementation of all the protocols and controls necessary to limit the risk of committing the offenses that the Body intends to prevent. In particular, with reference to the characteristics of the Model, Article 6, paragraph 2 of the Decree expressly provides for the following preparatory steps for the correct implementation of the Model itself:

- a) identification of activities in which there is a possibility that offenses may be committed;
- b) provision of specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the crimes to be prevented;
- c) identification of methods for managing financial resources suitable for preventing the commission of such crimes;
- d) provision of information obligations to the Supervisory Body;
- e) introduction of a disciplinary system to sanction non-compliance with the measures indicated in the Model.

2.8 The Guidelines prepared by the associations representing the Entities

On the express instruction of the delegated legislator, the Models may be adopted on the basis of codes of conduct drawn up by representative trade associations that have been communicated to the Ministry of Justice, which, in consultation with the relevant ministries, may make observations within 30 days on the suitability of the models to prevent crimes (Article 6, paragraph 3, Legislative Decree 231/2001).

The preparation of this Model is based on the main Guidelines for the construction of organizational, management, and control models *pursuant to* Legislative Decree No. 231 of 2001, primarily those of Confindustria originally approved on March 7, 2002, partially amended on March 31, 2008, and subsequently updated ("Guidelines") on July 13, 2014, approved by the Ministry of Justice.

The process outlined in the Guidelines for developing the Model can be summarized as follows the following fundamental points:

- identification of areas at risk, aimed at verifying in which areas/sectors of the company it is possible for crimes to be committed;
- preparation of a control system capable of reducing risks through the adoption of specific protocols. This is supported by a coordinated set of organizational structures, activities, and operational rules applied - on the recommendation of senior management - by *management* and consultants, aimed at providing reasonable assurance regarding the achievement of the objectives of a good internal control system.

The most relevant components of the preventive control system proposed by the Guidelines

Confindustria's guidelines regarding the prevention of intentional crimes are:

- the Code of Ethics;
- the organizational system;
- manual and IT procedures;
- authorization and signing powers;
- the control and management system;
- communication to staff and staff training.

With regard to negligent offenses (offenses relating to health and safety at work and most environmental offenses), the most relevant components identified by Confindustria are:

- the Code of Ethics (or Code of Conduct) with reference to the offenses considered;
- the organizational structure;
- education and training,
- communication and engagement,
- operational management,
- the safety monitoring system.

The control system must be based on the following principles:

- verifiability, documentability, consistency, and congruence of each operation;
 - separation of duties (no one can independently manage all stages of a process);
 - documentation of controls;
 - introduction of an adequate system of sanctions for violations of the rules and protocols provided for in the Model;
 - identification of a Supervisory Body whose main requirements are:
 - autonomy and independence,
 - professionalism,
 - continuity of action;
- assessment of residual risks not covered by preventive control measures;
- provision of specific protocols aimed at preventing crimes, in order to adapt the preventive control system;
- obligation on the part of company departments, and in particular those identified as most "at risk of crime," to provide information to the Supervisory Body, both on a structured basis (periodic reporting in implementation of the Model itself), and to report anomalies or atypicalities found in the available information.

It should be noted, however, that any non-compliance with specific points of the reference Guidelines does not, in itself, invalidate the validity of the Organizational Model adopted by the Company. In fact, since the individual Model must be drawn up with reference to the specific reality of the company to which it refers, it may deviate from the general Guidelines in order to better meet the prevention requirements of Legislative Decree 231/2001.

3. DESCRIPTION OF THE ORGANIZATION AND METHOD OF PREPARING THE MODEL

3.1. Presentation of the company LIMONTA SPORT S.p.A.

LIMONTA SPORT S.p.A. is a leading Italian company in the design and manufacture of special flooring used in sports facilities. Tenacious in its research, creative in its design, attentive and precise in its production, professional and punctual in its commercial relations, **LIMONTA SPORT S.p.A.** offers a wide and complete range of products to meet the demands of the most qualified operators worldwide.

Production complies with the latest safety and quality regulations, uses the most up-to-date technologies, and exclusively employs certified raw materials that are compatible with environmental protection.

The company has been present on the international artificial turf market for several years and has recently specialized in the production of soccer turf. From the initial three looms dedicated to sports, the company now has numerous looms used in the weaving of artificial turf as well as complementary processes for their production (production of infill materials).

Limonta Sport has a well-equipped development laboratory and a technical team dedicated to research in order to constantly monitor quality and ensure continuous product innovation.

The company's primary objective is to achieve maximum customer satisfaction through product and service quality, adopting measures aimed at continuously improving health and safety in its work environments.

Production includes various items that can be used for multiple sports: soccer, rugby, hockey, tennis, padel, five-a-side soccer, basketball, volleyball, badminton, etc.

Limonta Sport sports flooring is designed for indoor and outdoor disciplines and is approved by the main international federations (IHF, FIBA, IBF, FIH, ITF).

Numerous soccer fields made with third-generation artificial turf have been approved by FIFA and FIGC-LND.

3.2. Administrative forms

The company was registered in the Ordinary section on February 19, 1996, under economic administrative reference number 134556 on May 17, 1972. The company adopts the legal form of a joint-stock company and was established by deed dated April 18, 1972.

Limonta Sport S.p.A. adopts the TRADITIONAL system of administration.

It is administered by a Board consisting of three members, including the Chairman of the Board of Directors. The Board of Directors remains in office for three financial years.

The Board of Directors is vested with the broadest powers for the management of the company, without exception, and in particular is granted all powers for the achievement of the corporate purposes that are not expressly reserved by law or the articles of association to the shareholders' meeting. The management of the company is supervised by a board of statutory auditors composed of three standing members and two alternate members who remain in office for three financial years and are also responsible for the statutory audit.

The management of the company organization chart is entrusted to the two Managing Directors, in relation to their respective areas of competence and responsibility, who are responsible for its dissemination within **LIMONTA SPORT S.p.A.** located in Cologno al Serio.

The company **LIMONTA SPORT S.P.A.** is controlled by a private equity fund for the majority share and by the **LIMONTA SPORT S.p.A.** group for the minority share, located in the municipality of Cologno al Serio, in Via Crema 60, and shares the management of maintenance with the company TIBA S.r.l. a Socio Unico. Personnel management is entrusted to SAN GIORGIO CONSULTING S.r.l. in Milan, which is why the Technical Management of the companies is entrusted to the same Managing Director by means of two separate proxies.

3.3. The governance tools of LIMONTA SPORT S.p.A.

The main *governance* tools adopted by the Company are as follows:

- the Articles of Association, which, in addition to describing the activities carried out by the entity, contain various provisions relating to corporate governance, such as the functioning of the Shareholders' Meeting and the Board of Directors;
- the system of powers of attorney granted by the Board of Directors;
- the Code of Ethics;
- the organizational chart and company procedures, which summarize the functions, tasks, and hierarchical relationships within the Company;
- the identification of the employer with the broadest powers and extensive financial autonomy financial autonomy;
- the adoption of the SAP, ZUCCHETTI, and QLIK management systems
- the company procedures that regulate the main business processes and sensitive processes;
- all company documentation relating to the occupational health and safety management system.

The set of *governance* tools adopted by **LIMONTA SPORT S.p.A.** and the provisions of this Model make it possible to identify, with respect to all activities, how the entity's decisions are formed and implemented.

With regard to occupational health and safety management, **LIMONTA SPORT S.p.A.** has set up a Prevention and Protection Service and employs external professionals to ensure health and safety protection, as well as constant and complete compliance with current regulations.

The use of dedicated management software allows for the traceability of administrative and management operations.

3.4. Representation of the Entity in the event of a dispute

In the event that the Entity is subject to allegations of an offense *pursuant to* Legislative Decree No. 231/01 and its legal representative is also under investigation for the predicate offense, a defense attorney of choice shall be appointed by a person specifically delegated for this purpose, who shall protect the company's interests during the criminal proceedings (on this point, see the extensive case law, ex multis: Criminal Cassation

25.7.23, no. 32110; Criminal Cassation, 22.9.22, no. 35387).

This requirement derives from the provisions of Article 39 of Legislative Decree No. 231/01, according to which "*The entity participates in criminal proceedings through its legal representative, unless the latter is charged with the offense on which the administrative offense depends,*" an article designed to ensure the full guarantee of the right of defense to the collective entity, deriving from the intrinsic conflict of interest that could exist between the defense of the natural person and that of the legal person. The principle was also reaffirmed by the Joint Divisions of the Court of Cassation, in judgment no. 33041 of 2015, which expressed a general and absolute prohibition on representation (by the legal representative under investigation), justified by the suspicion that the act of appointing a defense attorney by the person under investigation could be "*potentially harmful in terms of the strategic choices of the entity's defense, which could be at odds with the divergent defense strategies of the legal representative under investigation.*" Limonta Sport, in anticipating this possibility, has regulated the possibility of identifying a "representative for the trial," who will appoint the entity's defense counsel in court, identifying this figure as the Director of Administration and Finance, who will make all decisions regarding the legal professional to be appointed and with whom he will evaluate the most appropriate defense strategy.

4. THIS MODEL

4.1. The purposes of the Model

LIMONTA SPORT S.p.A., as part of a broader process of strengthening its corporate *governance* and in view of its expansion and growth in recent years, has decided to implement the Model.

The decision by the Board of Directors of **LIMONTA SPORT S.p.A.** to adopt an Organizational, Management, and Control Model pursuant to Legislative Decree 231/2001, as well as the Code of Ethics, in addition to representing a means of preventing the commission of the types of offenses covered by the Decree, is an act of social responsibility towards all stakeholders (shareholders, employees, customers, business partners, suppliers, etc.) as well as the community.

In particular, the adoption and dissemination of a constantly updated Organizational Model aims, on the one hand, to make the potential perpetrator of the offense aware that committing such an offense is strongly condemned by the Company and contrary to its interests and, on the other hand, thanks to constant monitoring of activities, to enable the Company to prevent and react promptly in order to prevent the commission of the offense or the occurrence of the event.

The Company therefore decided to start preparing a Model for the prevention of crimes in order to comply with *best practices*, doctrine, and existing case law on the subject.

The adoption of the Model, pursuant to the aforementioned Decree, is not mandatory. However, the Company, however, deemed such adoption to be in line with its corporate policies in order to:

- establish and/or strengthen controls that enable the Company to prevent or react promptly to prevent the commission of crimes that involve the administrative liability of the Company by senior management and persons subject to their management or supervision;
- raise awareness, with the same objectives, among all parties who collaborate with the Company in various capacities (external collaborators, agents, suppliers, etc.), requiring them, within the limits of the activities carried out in the interest of the Company, to adopt conduct that does not entail the risk of committing crimes;
- guarantee its integrity by adopting the measures expressly provided for in Article 6 of the Decree;
- improve the effectiveness and transparency of the management of company activities;
- make the potential perpetrator of the offense fully aware that they are committing a strongly condemned offense that is contrary to the interests of the Company, even when the Company could apparently benefit from it.

The Model, therefore, represents a coherent set of principles, procedures, and provisions that:

1. affect the internal functioning of the Company and the ways in which it relates to the outside world;
2. regulate the diligent management of a control system for sensitive activities, aimed at preventing the commission, or attempted commission, of the crimes referred to in Legislative Decree no. 231/2001.

The Organizational Model includes the following constituent elements:

- process of identifying company activities in which the offenses referred to in Legislative Decree no. 231/2001 may be committed;

- provision of control standards in relation to the sensitive activities identified;
- process for identifying methods of managing financial resources that are suitable for preventing the commission of offenses;
- establishment of a supervisory body with tasks and powers appropriate to the functions provided for in the Model;
- information flows to and from the supervisory body and specific reporting obligations to the supervisory body;
- a disciplinary system designed to penalize violations of the provisions contained in the Model;
- training and communication plan for employees and other parties who interact with the Company;
- definition of criteria for updating and adapting the Model;
- Code of Ethics;
- a formalized system of delegated powers and authority;
- a formalized system of procedures at company level.

The adoption of an organization, management, and control model pursuant to the Decree, in addition to contributing - together with other circumstances - to exclude the Company's liability with regard to the commission of certain types of offenses, represents an act of social responsibility on the part of the Company, resulting in benefits for a variety of parties: shareholders, *managers*, employees, creditors, and all other parties whose interests are linked to the life of the company.

The existence of a system for monitoring business conduct, together with the establishment and dissemination of ethical principles, improving the standards of conduct adopted by the Company, increases the trust and excellent reputation it enjoys with third parties and, above all, performs a regulatory function in that it governs the conduct and decisions of those who are called upon to work on behalf of the Company on a daily basis, in accordance with the aforementioned ethical principles and *standards* of conduct.

In this context, the Company has therefore decided to launch a series of activities aimed at bringing its organizational model into line with the requirements of the Decree and consistent with the relevant regulatory framework, with the principles already rooted in its *governance* culture, and with the guidelines issued by the most representative associations (including, first and foremost, Confindustria).

With reference to the current standards of conduct adopted by the Company, it should be noted that the rules it has adopted to govern its operations, as well as the principles to which all those acting in its interest must comply, are contained, among other things, in the following documentation:

- articles of association;
- code of ethics.

4.2. The internal control system of ORGANIZATION

LIMONTA SPORT S.p.A. has adopted the following general tools aimed at planning the formation and implementation of the Company's decisions (also in relation to crimes to be prevented):

- the ethical principles that inspire the Company, also based on the provisions of the Code of Ethics;

- the system of delegations and powers of attorney;
- the documentation and provisions relating to the hierarchical-functional structure of the company and its organization;
- the internal control system and therefore the structure of company procedures;
- procedures relating to the administrative, accounting, and *reporting* system;
- company communications and circulars addressed to staff;
- mandatory, adequate, and differentiated training for all personnel;
- the penalty system referred to in the applicable national collective labor agreements;
- the body of national and foreign laws and regulations, where applicable.

4.3. The construction of the Model

In particular, the process of activities functional to the study, development, and drafting of the Company's Model was structured in four phases:

- phase 1: identification of risk areas;
- phase 2: assessment of the existing situation;
- phase 3: gap analysis and action plan, as well as definition of control protocols;
- phase 4: design of the organization, management, and control model.

4.4. Identification of risk areas

Article 6, paragraph 2, letter a) of the Decree indicates, among the requirements of the model, the identification of processes and activities in which crimes relevant to the administrative liability of entities may be committed. In other words, these are those business activities and processes that are commonly referred to as "sensitive" (so-called "risk areas").

This is the context for the objectives of phase 1, which are:

- the identification of the areas of the company affected by the intervention and the preliminary identification of sensitive processes and activities, as well as
- the identification of those responsible for sensitive processes/activities, i.e., resources with in-depth knowledge of sensitive processes/activities and the control mechanisms currently in place (hereinafter, "key officers").

Preliminary to the identification of sensitive activities was the analysis, mainly documentary, of the corporate and organizational structure of the Company (organization chart, contracts, operating procedures), carried out in order to better understand the Company's activities and identify the areas of the company subject to intervention.

The collection of relevant documentation and its analysis from both a technical-organizational and legal point of view allowed for the identification of sensitive processes/activities and a preliminary identification of the functions responsible for these processes/activities.

4.5. Assessment of the existing situation

The objective of phase 2 was to carry out analysis and assessment, through interviews with key officers, of the sensitive activities previously identified, with particular emphasis on controls. officers, with particular emphasis on controls.

⁶ The Procedural Body is currently being implemented by the Company.

Specifically, for each sensitive process/activity identified in phase 1, its main stages, the functions and roles/responsibilities of the internal and external parties involved, and the existing control elements were analyzed in order to verify in which areas/sectors of activity and in what ways the types of violations relevant to the administrative liability of entities could theoretically occur.

The analysis was carried out through personal interviews with key officers, which also aimed to establish management processes and control tools for each sensitive activity, with particular attention to compliance elements and existing preventive controls to oversee them.

The following control standards were used for the assessment (in accordance with the general criteria set out in the aforementioned Confindustria Guidelines), which are specified and described in more detail in the individual special sections of the model.

Control standards:

- **Responsibility and segregation of duties:** identification of the activities carried out by the various functions and their distribution among those who execute, those who authorize, and those who control, so that no one can manage the entire process independently. This segregation is guaranteed by the involvement of several parties in a sensitive process in order to ensure the independence and objectivity of the activities;
- **Existence of formalized delegations** consistent with the organizational responsibilities assigned: existence of formalized delegations and related spending powers consistent with responsibilities.
organizational responsibilities assigned in the performance of activities subject to Legislative Decree 231/2001, defining them specifically for the protection of health and safety, as required by Legislative Decree No. 81/2008, as well as for environmental protection through a structure of functions that ensure technical expertise in risk assessment, management, and control;
- **Traceability and verifiability** pursuant to post of transactions through appropriate documentary/informative media;
- **Presence of formalized protocols:** definition by the Organization of protocols, procedures, instructions, or other appropriate and formalized documentation describing the methods for governance of processes designed to prevent the commission of the predicate offense;
- **Existence of adequate records** attesting to the implementation of formalized practices.
- **Surveillance measures and activities:** establishment by the Organization of appropriate surveillance measures over activities connected with the potential commission of offenses, such as: audit activities and monitoring plans;
- **Identification of the Supervisory Body. In order to fully comply with the requirements of the law required by the regulation, the company has simultaneously adopted the Organizational Model Organizational Model, the company identified the Supervisory Body for the Model, which covers all types of predicate offenses.**

Phase 2 involved conducting structured interviews with *key officers* and the personnel they indicated, in order to gather the information necessary to understand the sensitive processes/activities identified in the previous phase:

- the basic processes/activities carried out;
- the internal/external functions/subjects involved;
- the related roles/responsibilities;
- the existing control system.

Assessment of the level of exposure to the risk of committing crimes

The assessment of the level of exposure to the risk of committing crimes was carried out according to the following table

RESIDUAL RISK assessment grid				TOTAL RISK ASSESSMENT GRID ACTIVITY			
RISK				ACTIVITY INCIDENCE			
LOW	LOW	LOW	MEDIUM	LOW	MID	LOW	LOW
MEDIUM	LOW	MEDIUM	HIGH	MEDIUM	MEDIUM	MEDIUM	LOW
HIGH	MEDIUM	HIGH	HIGH	HIGH	HIGH	HIGH	MEDIUM
	HIGH	MEDIUM	LOW		HIGH	MEDIUM	LOW
	COMPLIANCE LEVEL				ABSTRACT RISK OF OFFENSE		
Key							
<p>Incidence of the activity:</p> <p>This benchmark is essentially attributable to the frequency of the specific sensitive activity in the exercise of corporate activity and to the economic significance of sensitive activities in the financial statements, where such assessment is permitted.</p>							
<p>Abstract risk of crime:</p> <p>This is a probabilistic assessment based on parameters such as the Company's business, the geographical area of operation, the relevant product sector, and case law involving companies with similar characteristics.</p>							
<p>Total activity risk assessment: this assessment is carried out by cross-referencing the assessments of the incidence of the activity and the abstract risk of crime.</p>							
<p>Residual risk assessment: at this stage, the total activity risk is compared with the assessment of the level of <i>compliance</i> of existing controls (based on compliance with the following standards: segregation, internal rules, authorisation and signing powers, traceability).</p>							

At the end of the Model update project, the improvements necessary to bring the level of compliance to a medium-high level for each sensitive activity were identified, mitigating the risk of offenses being committed.

4.6. Gapanalysis and action plan

The purpose of phase 3 was to identify:

- 1) the organizational requirements characterizing an organizational model suitable for preventing violations relevant to the administrative liability of entities;
- 2) actions to improve the existing organizational model.

In order to identify and analyze in detail the existing control model for managing the risks identified and highlighted in the analysis described above, and to assess the model's compliance with the provisions of the Decree, the Company carried out a comparative analysis (known as a "gap analysis") between the existing organizational and control model and the abstract reference model assessed on the basis of the requirements

set out in Legislative Decree 231/2001, with particular attention to internal organization, the system of company procedures, and compliance with the legal obligations relating to the "sensitive activities" expressly referred to therein. Through comparison with the *gap analysis*, it was possible to identify areas for improvement in the existing internal control system and, based on the findings, an implementation plan was drawn up to identify the organizational requirements characterizing an organizational, management, and control model compliant with the provisions of the Decree and actions to improve the internal control system.

4.7. Design of the organization, management, and control model

The purpose of phase 4 was to define the organization, management, and control model in accordance with the Decree, articulating all its components and operating rules, suitable for the prevention of crimes and tailored to the company's reality, in accordance with the provisions of the Decree and the guidelines of the most representative trade associations (including, *first and foremost*, Confindustria⁷).

The implementation of phase 4 was supported both by the results of the previous phases and by the decisions of the Company's decision-making bodies.

4.8. Adoption and implementation of the Model

This Model, developed and drafted as described above, was adopted by resolution of the Company's Board of Directors, in accordance with Article 6, paragraph 1, letter a) of the Decree.

The Model represents a coherent set of principles, procedures, and provisions that:

- affect the internal functioning of the Company and the ways in which it relates to the outside world;
- regulate the diligent management of a control system for sensitive activities, aimed at preventing the commission, or attempted commission, of violations relevant to the administrative liability of entities that the Company has decided to take into consideration due to the characteristics of its business.

Under its sole responsibility, the Company implements the Model within its organizational structure in relation to its characteristics and the activities it actually carries out in areas at risk.

4.G. Amendments and additions to the Model

As this Model is an act issued by the management body (in accordance with the provisions of Article 6, paragraph 1, letter a) of the Decree), any subsequent substantial amendments and additions to this Model are the responsibility of the Board of Directors.

The CEO is also authorized to make any formal changes or additions to the text of this Model (such as those necessary to adapt the text of this Model to any future changes in regulatory references).

⁷ Confindustria, Guidelines for the construction of organizational, management, and control models pursuant to Legislative Decree No. 231 of June 8, 2001, approved on March 7, 2002, and updated in March 2014 (hereinafter the "Guidelines").

This Model also provides, in some parts, for the exclusive competence of the chief executive officer and, in other parts, for the exclusive competence of the Supervisory Body to make specific additions.

4.10. Content, structure, and function

This Model has been prepared on the basis of the provisions contained in the Decree and the guidelines drawn up by the most representative trade associations (including, *first and foremost*, Confindustria) and also incorporates the relevant guidelines and developments in case law.

The Model, structured as a complex set of documents, consists of the following elements:

- identification of the company activities in which violations relevant to the administrative liability of entities may be committed, which the Company has decided to take into consideration due to the characteristics of its business;
- provision of control protocols in relation to the sensitive activities identified;
- identification of methods for managing financial resources that are suitable for preventing the commission of offenses;
- the existence of a Code of Ethics containing the fundamental principles that inspire the organizational, administrative, and accounting system attached to the Model;
- establishment of a supervisory body responsible for the functions provided for in the Decree;
- definition of information flows to and from the Supervisory Body and specific reporting obligations to the supervisory body;
- program of periodic checks on sensitive and instrumental activities and related control protocols;
- disciplinary system to sanction violations of the provisions contained in the Model;
- training and communication plan for employees and other parties who interact with the Company;
- criteria for updating and adapting the Model.

The Model consists of:

- a **General Section**, illustrating the relevant regulatory framework, objectives, structure, and implementation methods;
- a **Special Section** relating to the types of offenses relevant to the Decree that the Company has decided to take into consideration due to the characteristics of its business.

The Model identifies sensitive activities in relation to which there is a higher risk of offenses being committed and introduces systems for proceduralizing and controlling activities, to be carried out also as a preventive measure.

Identifying areas at risk and establishing procedures for activities allows (i) employees and management to be made aware of the areas and aspects of company management that require greater attention; (ii) the firm condemnation of all conduct that constitutes a criminal offense to be made explicit; (iii) these areas to be subject to a constant monitoring and control system, enabling immediate intervention in the event of a crime being committed.

4.11. Periodic checks and updates

This Model is subject to constant monitoring by the Company's Supervisory Body, as defined and identified below, which also verifies its functionality by ascertaining violations, highlighting any gaps, and reporting opportunities for modification.

In particular, the Company's Supervisory Body:

- periodically submits a report to the Board of Directors on the status of implementation and effectiveness of the Model within the Company, indicating the tools used to disseminate it, any violations, the type and frequency of offenses committed, as well as the conduct that led to the integration of the cases;
- formulates, on the basis of the above, proposals for amendments to the Model, to be submitted upon approval by the Board of Directors;
- verifies the implementation and effectiveness of the Model within the Company following any changes made to it.

The Supervisory Body is responsible for monitoring the actual updating.

The document 'Regulations of the Supervisory Body' governing its operation is issued and updated at the sole discretion of the Body itself, which communicates it to the Employer.

4.12. Relations with the Code of Ethics

The Model is a legally distinct and independent document from the Code of Ethics, adopted by the Company together with the Model to which it is attached, by resolution of the Board of Directors. This Code of Ethics is an integral part of the organization, management, control, and prevention system adopted by the Company.

In particular:

- the Code of Ethics is a tool adopted by the Company, which contains the set of rights, duties, and responsibilities of the entity towards employees, customers, suppliers (in general, therefore, with reference to stakeholders in the Company); the Code of Ethics therefore aims to recommend, promote, or prohibit certain behaviors, independently and even beyond the provisions of the Decree or current legislation;
- this Model is a tool adopted on the basis of the precise regulatory indications contained in the Decree, aimed at reducing the risk of the commission of the offenses covered by the Decree by senior management of the Company and their subordinates.

4.13. Management of financial resources

Without prejudice to the provisions of the previous paragraph, considering that, pursuant to Article 6, letter c) of Legislative Decree No. 231 of 2001, one of the requirements that the Model must meet is the identification of methods for managing financial resources that are suitable for preventing the commission of offenses, the Company has adopted specific protocols containing the principles and conduct to be followed in the management of such resources.

5. DISSEMINATION OF THE MODEL

5.1. Recipients

This Model takes into account the particular business reality of **LIMONTA SPORT S.p.A.** and represents a valid tool for raising awareness and informing Senior Management and Subordinates (the so-called "Recipients").

All this is to ensure that the Recipients, in carrying out their activities, follow correct and transparent conduct in line with the ethical and social values that inspire the Company in pursuing its corporate purpose and, in any case, such as to prevent the risk of committing the offenses provided for in the Decree.

In any case, the relevant company departments ensure that the principles and rules of conduct contained in the Model and in the Code of Ethics of **LIMONTA SPORT S.p.A.** are incorporated into the Company's Procedures.

5.2. Staff Training and Information

It is the Company's objective to ensure that the Recipients have a proper understanding of the content of the Decree and the obligations arising therefrom.

The main methods of carrying out the training/information activities necessary for compliance with the provisions contained in the Decree relate to specific information provided at the time of hiring and any additional activities deemed necessary to ensure the correct application of the provisions of the Decree.

In order to ensure the effective dissemination of the Model and to inform staff about the contents of the Decree and the obligations arising from its implementation, the Model is posted in the main areas of the company (notice boards) and updated from time to time, in coordination with or on the instructions of the Supervisory Body.

5.3. Information to third parties and dissemination of the Model

The Company also provides for the dissemination of the Model to persons who have collaborative relationships with it without any subordination, consulting relationships, agency relationships, commercial representation relationships, and other relationships that take the form of professional services, not of a subordinate nature, whether continuous or occasional (including persons acting on behalf of suppliers and *partners*, including in the form of temporary associations of companies and *joint ventures*) (so-called "Third Parties").

In particular, the company departments involved in each case provide Third Parties in general and the *service* companies with which they come into contact with appropriate information regarding the adoption by **LIMONTA SPORT S.p.A.** of the Model pursuant to Legislative Decree No. 231 of 2001.

The respective contractual texts include specific clauses aimed at informing third parties of the adoption of the Model by LIMONTA SPORT S.p.A., which they declare to have read and understood, and of the consequences of failure to comply with the provisions contained in the General Part of the Model, in the Code of Ethics, and undertake not to commit and to ensure that their managers or subordinates refrain from committing any of the predicate offenses.

6. SUPERVISORY BODY

6.1. Characteristics of the Supervisory Body

Pursuant to Article 6, paragraph 1, letters a) and b) of the Decree, in the event of a crime being committed by persons qualified under Article 5, the entity's liability may be excluded if the management body has, among other things:

- adopted and effectively implemented organizational, management, and control models suitable for preventing crimes of the type that occurred;
- entrusted the task of supervising the functioning and observance of the model and ensuring its updating to a body within the entity with autonomous powers of initiative and control.

A similar provision is provided for in relation to the specific area of health and safety in the workplace in paragraph 4 of Article 30 of Legislative Decree No. 81/2008, according to which the organizational model must provide for "[...] an appropriate system for monitoring the implementation of the model itself and the maintenance over time of the suitability of the measures adopted."

The assignment of the aforementioned tasks to a body with autonomous powers of initiative and control, together with the correct and effective performance of those tasks, are therefore essential prerequisites for the exemption from liability of the entity provided for in the Decree⁸.

According to the provisions of Legislative Decree No. 231 of 2001 (Articles 6 and 7), as well as the guidelines contained in the Confindustria Guidelines, the characteristics of the Supervisory Body, such as to ensure the effective and efficient implementation of the Model, must be:

- (a) autonomy and independence
- (b) professionalism
- (c) continuity of action
- (d) honorability

6.1.1. Autonomy and independence

The requirements of autonomy and independence are fundamental to ensure that the SB is not directly involved in the management activities that are the subject of its control activities and, therefore, is not subject to influence or interference from the management body.

These requirements can be met by ensuring that the Supervisory Body has the highest possible hierarchical position and by providing for *reporting* to the highest operational level of the company, i.e., the Board of Directors as a whole. For the purposes of independence, it is also essential that the SB is not assigned operational tasks that would compromise its objectivity of judgment with regard to verifying conduct and the effectiveness of the Model.

⁸According to the Association of Italian Joint Stock Companies (Assonime), the solutions that companies can adopt with regard to the establishment of a Supervisory Body could be diversified, as they could include other options as an alternative to the use of the internal control "function," where it exists. According to this opinion, however, there is no single ideal model for a Supervisory Body. In fact, the legislator did not intend to provide precise guidelines on this matter but, expressing itself in general terms, preferred to leave the definition of the Supervisory Body to the individual and concrete organizational choices of each company, which are best suited to identifying the most efficient and effective solution for each operational reality (see *Assonime Circular, cit.*, 9, according to which "*Due to the characteristics of operational efficiency that the supervisory body must possess in relation to the tasks entrusted to it and the need for the supervisory body to be established within the entity, it is not considered that the supervisory body can be identified in the Board of Directors or in the Board of Statutory Auditors.*").

6.1.2. Professionalism

The SB must possess technical and professional skills appropriate to the functions it is called upon to perform. This concerns the presence of specific professional skills and interdisciplinary expertise in the legal, organizational, business economics, risk and control systems, labor law, etc. These characteristics, combined with independence, guarantee objectivity of judgment.

6.1.3. Continuity of action

The Supervisory Body must:

- carry out the activities necessary for the supervision of the Model on an ongoing basis with adequate commitment and the necessary powers of investigation;
- be a structure reporting to the Company, so as to ensure the necessary continuity in the supervisory activity supervision.

6.1.4. Integrity

Individual participants must not be involved in any proceedings relating to predicate offenses or have a criminal record for the same offenses or for any other offenses that could cast doubt on their professional ethics.

In order to ensure that the above requirements are effectively met, it is appropriate that such persons possess, in addition to the professional skills described, the formal subjective requirements that further guarantee the autonomy and independence required by the task (e.g., integrity, absence of conflicts of interest and family relationships with the bodies of the entity and with senior management, etc.).

6.1.5. Identification of the Supervisory Body

With regard to the identification of the supervisory body and its composition, the Decree provides exclusively that:

- in small entities, the tasks of the supervisory body may be performed directly by the management body (Article 6, paragraph 4)¹⁰ ;

⁹ This refers, among other things, to: risk analysis and assessment techniques; measures for risk mitigation (organizational procedures, mechanisms for counterbalancing tasks, etc.); *flow charting* of procedures and processes for identifying weaknesses, interview techniques and questionnaire design; methods for identifying fraud; etc. The Supervisory Body must have inspection powers (to ascertain how a crime of the type in question could have been committed and who committed it); consulting powers (to adopt - when designing the Model and subsequent amendments - the most appropriate measures to prevent, with reasonable certainty, the commission of such crimes) or, again, to verify on an ongoing basis that daily conduct effectively complies with that codified) and legal powers. Legislative Decree No. 231 of 2001 is a criminal law, and since the purpose of the Supervisory Body is to prevent crimes from being committed, it is therefore essential to understand the structure and methods of committing crimes (which can be ensured through the use of company resources or external consulting).

In particular, these are techniques that can be used: preventively, to adopt—when designing the Model and subsequent amendments—the most appropriate measures to prevent, with reasonable certainty, the commission of crimes (consultative approach); or retrospectively, to ascertain how the predicate offense could have occurred (inspection approach).

¹⁰ The Confindustria Guidelines specify that the regulations laid down in Legislative Decree No. 231/2001 "do not provide specific indications regarding the composition of the Supervisory Body. This allows for the option of either a single-member or multi-member composition. In the latter case, individuals both inside and outside the entity may be called upon to form the Body [...]. Despite the legislator's indifference to the composition, the choice between one solution or the other must take into account the objectives pursued by the law itself and, therefore, ensure the effectiveness of the controls. Like every aspect of the model, the composition of the Supervisory Body must also be modulated on the basis of the size, type of activity, and organizational complexity of the entity. For example, Article 6, paragraph 4, of Decree 231 allows small businesses to entrust the tasks of the Supervisory Body to the management body. If the entity does not intend to make use of this option, a single-member composition could well guarantee the functions assigned to the SB. On the other hand, in medium-large companies, a collegial composition seems preferable. Moreover, if the entity has a Board of Statutory Auditors (or equivalent body in the case of corporate governance structures other than the traditional one), it could take advantage of another opportunity offered by Decree 231 (following the amendments introduced by Law 183 of 2011): the assignment of the functions of the Supervisory Body to the Board of Statutory Auditors" Confindustria, Guidelines, 55 et seq.

- In joint-stock companies, the board of statutory auditors, the supervisory board, and the management control committee may perform the functions of the supervisory body (Article 6, paragraph 4-bis)¹¹.

The Confindustria Guidelines¹² indicate the following options available to the entity when identifying and setting up the supervisory body:

- i) assigning the functions of the supervisory body to the board of statutory auditors;
- ii) assigning the role of supervisory body to the internal control committee, where one exists, provided that it is composed exclusively of non-executive or independent directors;
- iii) assigning the role of supervisory body to the *internal auditing* function, where it exists;
- iv) the creation of an *ad hoc* body, composed of one or more individuals, consisting, in the latter case, of members of the entity (e.g., head of *internal audit*, legal department, etc., and/or non-executive and/or independent director and/or auditor) and/or external individuals (e.g., consultants, experts, etc.);
- v) for small entities, it would be possible to assign the role of supervisory body to the management body.

In compliance with the provisions of the Decree and taking into account the specific characteristics of its organizational structure, the Company, by resolution of the Board of Directors, entrusts the function of Supervisory Body responsible for supervising the functioning and observance of this Model and for updating it, to a body composed in accordance with the above.

The term of office of the members of the Supervisory Body shall be determined by the appointment resolution; revocation of the same may only take place for just cause.

The Supervisory Body has autonomous powers of initiative and control, has adequate resources (to this end, the Board of Directors provides it with an appropriate budget and grants it the power to make sporadic or continuous use of company employees in the performance of its functions) and its members cannot be prejudiced as a result of the activities carried out in the performance of their duties.

In particular, in order to perform the supervisory tasks required by Legislative Decree 231/2001, the SB employs appropriate professional figures, for whom qualification criteria are defined and verified on the basis of the CVs collected (including, but not limited to: knowledge of health, safety, and environmental regulations, inspection and investigation skills, and qualification in systems management).

The SB has the right to access all documents and premises of the Company in order to best performance of their duties.

All employees are required, upon request by the SB or in the event of relevant events, to provide any information requested, to provide any information requested.

Each employee or collaborator of the Company must report any violation of the model to their direct manager, who is obliged to report it to the SB. In urgent cases, direct reporting is permitted.

The report may be made confidentially and the author of the report may not be subject to discrimination or prejudice as a result of the report.

¹¹ Paragraph 4-bis was added by paragraph 12 of Article 14 of Law No. 183 of November 12, 2011, effective January 1, 2012, pursuant to the provisions of paragraph 1 of Article 36 of the same Law No. 183/2011.

¹² Confindustria, Guidelines, 63 et seq.

In particular, even in the absence of a violation of the model, the following must also be reported to the SB accidents, occupational diseases, and any high-risk situations that are encountered.

All information, reports, and data sent to the Supervisory Body are kept by the latter and may not be disclosed

With the same resolution that appointed the Supervisory Board, the Company's Board of Directors set the remuneration due to this body for the task assigned to it.

The Supervisory Body shall adopt its own internal regulations, as well as establish and update the plan of activities to be carried out annually.

6.1.6. Subjective requirements of the members

The members of the Supervisory Body must meet the requirements of integrity, absence of conflicts of interest, and absence of family and/or business relationships as specified below.

Therefore, the following individuals cannot be appointed as members of the Supervisory Body: 1) individuals who perform management and operational activities within the company that are subject to control; 2) individuals who have an ongoing employment relationship with the Company as consultants or paid service providers, or who could compromise the independence of the Supervisory Body; 3) spouses, relatives, or relatives by marriage up to the fourth degree of members of the Company's Board of Directors and Board of Statutory Auditors; 4) anyone who is directly and/or indirectly in conflict with the interests of the Company.

Furthermore, the position of member of the SB cannot be held by:

- Those who are subject to any of the causes of ineligibility or forfeiture, pursuant to Article 2382 of the Italian Civil Code;
- Those who have been convicted, even if the sentence is not final or is the result of a plea bargain, for one of the predicate offenses.

6.1.7. Term of office and grounds for termination

The Supervisory Body remains in office for the term indicated in the appointment document and may be renewed.

The Supervisory Body's term of office may be terminated for one of the following reasons:

- expiry of the term of office;
- revocation of the Body by the Board of Directors;
- resignation of a member, formalized by means of a specific written communication sent to the Board of Directors;
- occurrence of one of the causes of forfeiture referred to in the following paragraph.

The revocation of the SB may only be ordered for just cause, which shall include, by way of example, the following cases: the following cases:

- the case in which the member is involved in criminal proceedings concerning the commission of a crime;
- the case in which a violation of the confidentiality obligations incumbent upon the SB is found;
- serious negligence in the performance of the duties related to the position;
- the possible involvement of the Company in criminal or civil proceedings related to omitted or insufficient supervision, including negligence.

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

In the event of expiry, revocation, or resignation, the Board of Directors shall appoint a new member of the SB, while the outgoing member shall remain in office until replaced.

6.1.8. Cases of ineligibility and forfeiture

The following constitute grounds for ineligibility and/or disqualification of a member of the Supervisory Board:

- disqualification, incapacitation, bankruptcy, or criminal conviction, even if not final, for one of the offenses provided for in the Decree or, in any case, a penalty involving disqualification, even temporary, from public office or the inability to hold executive positions;
- the existence of family ties, marriage, or affinity within the fourth degree with members of the Board of Directors or the Board of Statutory Auditors, or with external parties responsible for auditing;
- the existence of financial relationships between the member and the Company that could compromise the independence of the member.

If, during the term of office, a cause for disqualification arises, the member of the Supervisory Body is required to immediately inform the Board of Directors.

6.1.G. Resignation and replacement

The Supervisory Body (or, in the case of a multi-member body, each of its members) that resigns from office must give written notice to the chief executive officer and the Board of Statutory Auditors.

The resignation shall take effect immediately. The Board of Directors shall replace the member by appointing a new body (or, in the case of a multi-member body, each of its members) as soon as possible, with the opinion of the Board of Statutory Auditors.

The members of the Supervisory Body appointed shall remain in office for the period for which they would have remained remain in office.

6.1.10. Conflicts of interest and competition

If, with reference to a given risky transaction or category of risky transactions, the Supervisory Body (or, in the case of a multi-member body, one of its members) finds itself, or believes it may find itself, in a situation of potential or actual conflict of interest with the Company in the performance of its supervisory functions, that person must immediately notify the chief executive officer and the board of statutory auditors (as well as the other members of the Supervisory Body, if applicable).

The existence of a potential or actual conflict of interest requires that person to refrain from performing acts connected with or related to that transaction in the exercise of their supervisory functions; in such cases, the Supervisory Body shall:

- request the appointment of another person as its substitute for the exercise of supervisory functions in relation to the transaction or category of transactions in question or,
- in the case of a multi-member supervisory body where the conflict of interest concerns only one of its members, delegate the supervision of the transaction or category of transactions in question to the other members of the Supervisory Body.

By way of example, a conflict of interest in a given transaction or category of transactions arises when a person is linked to one or more other persons involved in a transaction or category of transactions due to corporate offices, marriage, kinship, or affinity within the fourth degree

degree, employment, consultancy or paid work, or other financial relationships that compromise their independence pursuant to Article 2399(c) of the Italian Civil Code.

The Supervisory Body (or, in the case of a multi-member body, each of its members) is subject to the non-competition clause referred to in Article 2390 of the Italian Civil Code.

6.1.11. Remuneration and reimbursement of expenses

Any remuneration due to the Supervisory Body (or, in the case of a multi-member body, to each of its members) shall be determined at the time of appointment or by subsequent decision of the Board of Directors, after consulting the Board of Statutory Auditors.

The Supervisory Body (or, in the case of a multi-member body, each of its components) are entitled to reimbursement of expenses incurred for official reasons.

6.1.12. Spending powers and appointment of external consultants

The Supervisory Body has unlimited spending powers, which may be exercised without the prior authorization of the administrative body (excluding, in any case, interventions involving structural changes to the company), without prejudice to compliance with the internal procedures in force from time to time regarding pre- and post-information to the competent functions of the Company, also for the purpose of drawing up the Company's annual or interim expenditure estimates and final accounts (budgets).

The Supervisory Body may avail itself, under its direct responsibility, of the collaboration of all the Company's departments and structures or external consultants in carrying out the tasks entrusted to it.

Upon appointment, the external consultant must issue a specific declaration which certifies:

- the absence of the above-listed grounds for ineligibility or reasons preventing him/her from accepting the assignment (e.g., conflicts of interest; family relationships with members of the Board of Directors, senior management in general, members of the Company's Board of Statutory Auditors, and auditors appointed by the independent auditing firm, etc.);
- that they have been adequately informed of the provisions and rules of conduct set out in the Model and undertake to comply with them.

6.1.13. Functions and powers

The Body is entrusted with the following functions:

- monitoring the effective and concrete application of the Model, verifying the appropriateness of conduct within the Company with respect to the Model;
- implement a verification plan aimed at ascertaining the concrete implementation of the Organizational Model by all Recipients;
- assess the actual adequacy of the Model to perform its function as a tool for the prevention of crimes;
- analyzing the maintenance over time of the requirements of soundness and functionality of the Model;
- report to the competent bodies on the state of implementation of this Model;
- maintain, develop, and promote the constant updating of the Model by preparing and submitting to the management body, through reports and/or written communications, proposals for amendments and updates to the Model aimed at (i) correcting any malfunctions or gaps that may arise from time to time; (ii) adapting the Model to significant changes

in the internal structure of the Company and/or in the methods of conducting business activities, or
(iii) to incorporate any regulatory changes¹³ ;

- ensure the periodic updating of the system for identifying, mapping, and classifying sensitive and instrumental activities;
- submit proposals for the integration or adoption of instructions for the implementation of this Model to the competent bodies;
- verify the implementation and effective functionality of the changes made to this Model (*follow-up*).

In carrying out these functions, the Body has the task of:

- propose and promote all initiatives necessary for the knowledge of this Model within and outside the Company;
- maintain constant contact with the independent auditors, safeguarding their necessary independence, and with other consultants and collaborators involved in the effective implementation of the Model;
- monitoring the activities carried out by the various functions within the Company, accessing the relevant documentation and, in particular, checking the actual presence, regular maintenance, and effectiveness of the documentation required in accordance with the provisions of the Special Section for the various types of offenses covered therein;
- carry out targeted checks on specific sectors or procedures of the company's activities and conduct internal investigations to ascertain alleged violations of the provisions of this Model;
- detect any behavioral deviations that may emerge from the analysis of information flows and reports that the managers of the various departments are required to submit;
- verify that the elements provided for in the Special Section for the various types of offenses covered therein (system procedures, operating instructions, technical documents, forms, standard clauses, etc.) are in any case adequate and meet the requirements of compliance with the provisions of the Decree, providing, if not, for an update of the elements themselves;
- coordinate with other company departments in order to study the map of risk areas, monitor the implementation status of this Model, and prepare improvements or additions in relation to aspects pertaining to the coordinated implementation of the Model (instructions for the implementation of this Model, inspection criteria, definition of standard clauses, staff training, disciplinary measures, etc.);
- freely access the Company's headquarters, or summon any unit, representative, or employee of the Company—without the need for prior consent—to request and acquire information, documentation, and data deemed necessary for the performance of the tasks provided for in the Decree from all management and employees;
- collect, process, and store data and information relating to the implementation of the Model;

¹³ See, in this regard, the express provisions of paragraph 4 of Article 30 of Legislative Decree 81/2008 on health and safety in the workplace, according to which "... the review and possible modification of the organizational model must be adopted when significant violations of the rules relating to accident prevention and hygiene at work are discovered, or when changes are made to the organization and activities in relation to scientific and technological progress";

- promote the initiation of any disciplinary proceedings and propose any sanctions referred to in this Model;
- in the event of checks, investigations, or requests for information by the competent authorities aimed at verifying the compliance of the Model with the provisions of the Decree, liaise with the parties responsible for the inspection, providing them with adequate information support;
- after consulting with the board of statutory auditors, regulate its own functioning, including through the introduction of regulations governing its activities, which shall cover, among other things, the timing of checks and the identification of analysis criteria and procedures;
- after consulting with the board of statutory auditors, adopt a six-monthly program of its activities, with particular reference to the checks to be carried out, the results of which are reported to the administrative and control bodies.

The Board of Directors shall ensure that the powers and functions of the Supervisory Body are communicated to the company's departments in an adequate and timely manner, expressly establishing specific disciplinary sanctions in the event of failure to cooperate with the Supervisory Body, as specified in more detail in the following paragraphs.

With particular reference to Health, Safety, and Environment, the information that the Company undertakes to transmit at the start of the SB's activities is as follows:

undertakes to provide at the start of the SB's activities is as follows:

- complete, up-to-date, and current Chamber of Commerce registration, including administrative and control bodies, attorneys, and local units;
- an update of the relevant hierarchical and functional figures (organization chart relating to safety), also to indicate that nothing has changed;
- accidents and the total duration of each individual event that caused absence from work, for the last period since the previous communication;
- medications taken in the last year;
- significant accidents/events that could potentially cause serious injury;
- reports of occupational diseases and their type, known to the Company;
- report pursuant to Article 35 of Legislative Decree 81/08 and related annexes;
- inspections, administrative proceedings, and sanctions in the field of Health, Safety, and Environment by the control bodies;
- internal sanctions relating to health, safety, and the environment and analysis of the causes thereof;
- accident statistics and results of analytical monitoring in the environmental field;
- status of updates to the DVR (Risk Assessment Document), changes made and their reasons;
- planning and execution of safety inspections of equipment, plants in general and environmental surveys;
- incidents, significant events that may give rise to allegations of an environmental predicate offense, as well as monitoring results that highlight the potential occurrence of the predicate offense;
- environmental risk assessment document;

¹⁴ See the provisions of the Guidelines in this regard.

- periodic reports by the delegated managers, submitted to the Employer;
- Organizational Model, Code of Ethics, and table of related procedures, in the updated and approved version.

In the event of particularly serious incidents (injuries with a prognosis of more than 40 days or of a permanent nature, accidents with environmental relevance, etc.), the relevant information shall be transmitted in a timely manner (i.e., within 24 hours of the incident).

At the request of the Supervisory Body, the Company undertakes to send the following documents (non-exhaustive list), if not already sent at the start of the Supervisory Body's activities:

- risk assessments in general and their updates;
- EHS audits;
- industrial hygiene surveys that may reveal occupational diseases;
- safety investigations highlighting non-conformities that could lead to accidents;
- environmental analyses.

6.1.14. Resources of the Supervisory Body

The Board of Directors assigns the Supervisory Body the human and financial resources deemed appropriate for the performance of its duties. In particular, the Supervisory Body is granted autonomous spending powers, as well as the power to enter into, modify, and/or terminate professional contracts with third parties possessing the specific skills necessary for the best performance of its duties.

6.1.15. The subjective qualification of the Supervisory Body for privacy purposes

On May 12, 2020, the Italian Data Protection Authority expressed its opinion on the subjective qualification of the Supervisory Body for privacy purposes (see web doc. 9347842).

In particular, it was clarified that the Supervisory Body, considered as a whole and regardless of whether its members are internal or external, being "*part* of the entity" must be identified as the entity authorized to process data. Therefore, it is not an independent data controller or even a data processor.

Article 29 of the European Data Protection Regulation 2016/679 (GDPR) stipulates that anyone acting under the authority of the Data Controller "and having access to personal data may not process them unless instructed to do so by the Data Controller, unless required by Union or Member State law." Article 2-quaterdecies of Legislative Decree 196/2003, amended by Legislative Decree 101/2018, also specifies that: "The data controller or data processor may, under their own responsibility and within their organizational structure, assign specific tasks and functions related to the processing of personal data to expressly designated natural persons operating under their authority. The data controller or data processor shall identify the most appropriate methods for authorizing the processing of personal data by persons operating under their direct authority."

For this reason, in order to carry out its duties, the Supervisory Body must receive operational instructions from the Company pursuant to Article 29 of the GDPR and Article 2-quaterdecies of Legislative Decree 196/2003, as amended, so that the data is processed in accordance with the principles established by privacy legislation and the policies defined within the organization. It shall be the responsibility of the Company, as Data Controller, to provide the aforementioned instructions.

The provisions of the Supervisory Authority refer solely to the processing of data carried out by the Supervisory Body in the exercise of its duties and functions, with particular regard to the management

information flows.

However, the new and different role that the Body acquires in relation to the management of reports of illegal acts or violations of the Organizational Model and protected by Law 179/2017, entitled "Provisions for the protection of persons reporting crimes or irregularities of which they have become aware in the context of a public or private employment relationship" (known as Whistleblowing), remains excluded. (known as whistleblowing).

All of the above is without prejudice to the requirements of autonomy and independence of the Supervisory Body in carrying out its verification activities.

6.1.16. Rules of conduct

The activities of the Supervisory Body must be based on the principles of integrity, objectivity, confidentiality, and competence.

These rules of conduct can be expressed in the following terms:

- **Integrity:** members of the Supervisory Board must operate with honesty, diligence, and a sense of responsibility.
- **Objectivity:** members of the Supervisory Body shall not participate in any activity that could compromise the impartiality of their assessment and, if this is not the case, shall abstain from the relevant assessments and deliberations within the scope of the Supervisory Body's activities. They must report all significant facts that come to their knowledge and whose omission could give an altered and/or incomplete picture of the activities analyzed.
- **Confidentiality:** members of the SB must exercise all appropriate precautions in the use and protection of the information acquired. They must not use the information obtained for personal gain or in ways that are contrary to the law or that could harm the Company's objectives. All data held by the Company must be processed in full compliance with the provisions of Legislative Decree No. 196/2003 (as amended by Legislative Decree No. 101/2018) and European Regulation No. 2016/679 (GDPR) on the protection of personal data.

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

6.2. Information flows of the Supervisory Body.

6.2.1. Information obligations towards the Supervisory Body

In order to facilitate the supervision of the effectiveness of the Model, the SB must be informed, through specific reports from the Recipients (and, where applicable, Third Parties), of any events that could entail the liability of **LIMONTA SPORT S.p.A.** and/or LIMONTA SPORT S.r.l. pursuant to Legislative Decree No. 231 of 2001.

The information flows to the SB are divided into general information and mandatory specific information.

In the first case, the following requirements apply:

- Recipients are required to report to the Supervisory Body any information relating to the commission, or reasonable belief of commission, of crimes or practices that are not in line with the procedures and rules of conduct issued or to be issued by LIMONTA SPORT S.p.A.;
- Third parties are required to report any crimes committed, or reasonably believed to have been committed, within the limits and in accordance with the procedures set out in the contract.
- Third parties are required to report any incidents directly to the Supervisory Body.

In addition to reports relating to the general violations described above,

mandatorily and promptly transmitted to the SB information concerning:

- measures and/or information from judicial police bodies, or any other authority, relating to investigations involving **LIMONTA SPORT S.p.A.** or members of its corporate bodies;
- any reports prepared by the heads of other bodies (e.g., the Board of Statutory Auditors) as part of their control activities and which may reveal facts, acts, events, or omissions that are critical in terms of compliance with Legislative Decree No. 231 of 2001;
- news relating to investigations and criminal proceedings against the Company's attorneys and, in general, company representatives for matters relating to their role;
- information relating to disciplinary proceedings and any sanctions imposed or measures to dismiss such proceedings with the relevant reasons, if they are related to the commission of crimes or violations of the rules of conduct or procedures of the Model;
- commissions of inquiry or internal reports/communications revealing responsibility for the offenses referred to in Legislative Decree No. 231 of 2001;
- organizational changes;
- updates to the system of delegated powers and authority;
- particularly significant operations carried out within the Areas at Risk of Crime;
- changes in Areas at Risk of Crime or potentially at risk;
- any communications from the Board of Statutory Auditors regarding aspects that may indicate deficiencies in the internal control system, reprehensible acts, or observations on the Company's financial statements;
- the statement of truthfulness and completeness of the information contained in corporate communications;
- copies of the minutes of the meetings of the Board of Directors and the Board of Statutory Auditors.

The SB assesses the reports received, listening to the author of the report and/or the person responsible for the alleged violation, if necessary, and providing written reasons for any refusal to proceed with an internal investigation, and reports its assessments on the facts deemed significant to the Board of Directors.

Whistleblowers acting in good faith are protected against any form of retaliation, discrimination, or penalization, and in any case, the confidentiality of the whistleblower's identity is guaranteed, without prejudice to legal obligations and the protection of the rights of the Company or persons accused erroneously and/or in bad faith.

6.2.2. Reports of violations of the Organizational Model and illegal acts, pursuant to Article 6, paragraph 2-bis, letter a) of Legislative Decree 231/01 and Legislative Decree 24 of 2023 (Whistleblowing)

In order to comply with the provisions of Law No. 79 of November 30, 2017, which amends Article 6 of Legislative Decree 231/2001 and Legislative Decree 24/2023 on Whistleblowing, the Company has adopted regulations for the management of reports of unlawful conduct and related forms of protection, to which reference should be made and which form an integral part of this model.

In particular, the Company guarantees:

- (i) the establishment of channels that allow senior managers and their subordinates to submit, in order to protect the integrity of the entity, detailed reports of illegal conduct relevant pursuant to Legislative Decree 231/2001 and Legislative Decree 24/2023;

- (ii) the confidentiality of the identity of the whistleblower in the management of the report;
- (iii) the prohibition of direct or indirect acts of retaliation or discrimination against the whistleblower for reasons directly or indirectly related to the report;

The obligations to report any conduct contrary to the provisions contained in the Model fall within the broader duty of diligence and loyalty of the employee referred to in Articles 2104 and 2105 of the Italian Civil Code. The proper fulfillment of the obligation to report by the employee cannot, therefore, give rise to the application of disciplinary sanctions. With regard to the reports provided for in Article 6, paragraph 2 bis, letter a) of Legislative Decree 231/01, **LIMONTA SPORT S.p.A.** has identified the Supervisory Body as the body responsible for receiving them.

Reports relevant under Legislative Decree 24/2023 Whistleblowing must be made to the external manager identified in the specific regulations. Specifically, the Company has provided for the possibility of making reports both verbally and in writing, including through the IT platform adopted by LIMONTA SPORT S.p.A., accessible via the specific link on the Company's website (<https://www.limontasport.com>). The IT platform can also be used to report violations of Legislative Decree 231/2001 and the Organizational Model of LIMONTA SPORT S.p.A.

6.2.3. Flow management

LIMONTA SPORT S.p.A. has also adopted the following specific dedicated channels for communications to the Supervisory Body:

- the *email address* **odv_Limonta_Sport@stasis.it** (for crimes relating to health and safety at work and environmental crimes);
- the *mailbox* **odv@limontasport.com** (for all other cases provided for by Legislative Decree 231/2001 and the Organizational Model)

6.2.4. Information obligations of the Supervisory Body

Given that the responsibility for adopting and effectively implementing the Model remains with the Company's Board of Directors, the Supervisory Body reports on the implementation of the Model and on the occurrence of any critical issues.

In particular, the Supervisory Body is responsible to the Board of Directors for:

- an annual report on the activities carried out, to be submitted to the Board of Directors and, for information purposes, to the Board of Statutory Auditors;
- immediately, upon the occurrence of ascertained violations of the Model, with alleged commission of crimes, a communication to be submitted to the Board of Directors;
- communicating, at the beginning of each financial year, the plan of activities it intends to carry out in order to fulfill the tasks assigned to it. This plan will be approved by the Board of Directors itself;
- periodically communicate the progress of the program together with any changes made to it;
- promptly communicate any issues related to activities, where relevant;
- report, at least every six months, on the implementation of the Model.

The annual report addresses the following aspects:

- controls and checks carried out by the Supervisory Body and their results;

- progress of any projects to implement/revise the control system (e.g., adoption of procedures);
- any legislative innovations or organizational changes that require updates to the Organizational Model;
- any effectiveness of the disciplinary system in ensuring compliance with the control protocols provided for and referred to in the Model;
- functionality of the information flow system to the Supervisory Body;
- other information deemed significant;
- summary assessment of the adequacy of the Model with respect to the provisions of Legislative Decree 231/2001.

The SB shall be required to report periodically on its activities not only to the Board of Directors but also to the Board of Statutory Auditors.

The Body may request to be convened by the aforementioned bodies to report on the functioning of the Model or on specific situations. Meetings with the bodies of the entity to which the Supervisory Body reports must be minuted. Copies of these minutes shall be kept by the Supervisory Body and by the bodies involved from time to time.

Without prejudice to the above, the Supervisory Body may also communicate, assessing the individual circumstances circumstances:

- (i) the results of its investigations to the managers of the functions and/or processes if the activities reveal areas for improvement. In this case, the SB shall require the process managers to provide an action plan, with a related timeline, for the implementation of the activities subject to improvement, as well as the results of such implementation;
- (ii) report to the Board of Directors and the Board of Statutory Auditors any conduct/actions not in line with the Model in order to:
 - a) obtain from the Board of Directors all the information necessary to communicate with the bodies responsible for assessing and applying disciplinary sanctions;
 - b) provide guidance on how to remedy the deficiencies in order to prevent a recurrence of the event.

Finally, the Body is required to immediately inform the Board of Statutory Auditors if the violation concerns members of the Board of Directors.

6.2.5. Verifications

This Model is subject, among other things, to the following verifications, which will be conducted by the Supervisory Body with the cooperation of the relevant company departments:

- (i) verification of documents: every six months, the Supervisory Body verifies the main corporate documents and the most significant contracts entered into by the Company in areas of activity at risk, according to the criteria it has established.
- (ii) Verification of procedures: the Supervisory Body constantly verifies the effective implementation and functioning of the Model. Every six months, the Supervisory Body assesses, as a whole, all reports received during the six-month period, the actions taken in relation to such reports, and events considered risky, with the collaboration of the relevant departments.

The Supervisory Body provides a detailed description of the above checks, indicating the methods adopted and the results obtained, in its periodic report to the Company's Board of Directors.

At the request of the SB, the Organization undertakes to send (non-exhaustive list), if not already submitted at the start of the Body's activities:

- Risk assessments in general and their updates and audits carried out;
- Industrial hygiene investigations that may lead to occupational diseases;
- Safety investigations highlighting non-conformities that could lead to accidents;
- Environmental analyses and other information relevant to the Organizational Model;
- Results of inspections and reports issued;
- Tenders issued by the Public Administration and awarded.

7 DISCIPLINARY SYSTEM

Article 6, paragraph 2, letter e) and Article 7, paragraph 4, letter b) of Legislative Decree 231/2001 establish (with reference to both senior management and employees subject to the direction of others) the necessary establishment of a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model (and in particular the management rules, procedures, instructions, and orders for the management of sensitive matters) of organization, management, and control.

The definition of sanctions, commensurate with the violation and capable of deterrence, applicable in the event of violation of the measures contained in the Model, is intended to contribute to the effectiveness of the Model itself and to the effectiveness of the control action of the Supervisory Body.

The sanctions provided for by the disciplinary system will be applied to any violation of the provisions contained in the Model, regardless of the conduct and outcome of any criminal proceedings initiated by the judicial authorities, in the event that the conduct to be censured constitutes a criminal offense under Legislative Decree 231/2001.

7.1. Measures applied to managers, employees, and workers

Compliance with the provisions and rules of conduct set out in the Model constitutes fulfillment by the company's employees of the obligations set out in Article 2104, paragraph 2 of the Italian Civil Code, obligations of which the content of the Model itself is a substantial and integral part.

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

It should be noted that employees who do not hold managerial positions are subject to the following National Collective Labor Agreements:

- NATIONAL TEXTILE SECTOR AGREEMENT
- NATIONAL CONSTRUCTION INDUSTRY AGREEMENT

The measures indicated in the Model, failure to comply with which is subject to sanctions, are communicated to all employees by means of an internal circular, posted in a place accessible to all and binding on all employees of **LIMONTA SPORT S.p.A.**

Disciplinary measures may be imposed on employees in accordance with the provisions of Article 7 of Law No. 300 of May 20, 1970 (the so-called "Workers' Statute") and any applicable special regulations.

Upon notification of a violation of the Model, the procedure for ascertaining the misconduct shall be initiated in accordance with the National Collective Labor Agreement applicable to the specific employee concerned by the procedure. Therefore:

- any report of a violation of the Model will trigger the investigation procedure;
- if, following the procedure, a violation of the Model is ascertained, the disciplinary sanction provided for in the applicable National Collective Bargaining Agreement shall be imposed;
- the sanction imposed shall be proportionate to the seriousness of the violation.

More specifically, on the assumption that a violation has been ascertained, at the request of the Supervisory Body, and after consulting with the hierarchical superior of the author of the censured conduct, the head of the Human Resources department and the Managing Director/Deputy Managing Director shall identify - after analyzing the employee's reasons - the disciplinary sanction applicable under the relevant National Collective Bargaining Agreement.

After applying the disciplinary sanction, the head of the Human Resources department shall notify the imposition of this sanction to the Supervisory Body.

The Supervisory Body and the head of the Human Resources department shall monitor the application of disciplinary sanctions.

All legal and contractual requirements relating to the imposition of disciplinary sanctions are complied with, as are the procedures, provisions, and guarantees set forth in Article 7 of the Workers' Statute and in the specific National Collective Bargaining Agreement applicable to disciplinary measures.

7.2. Measures applied to managers

In the event of a violation of the Model by managers, ascertained in accordance with the previous paragraph, **LIMONTA SPORT S.p.A.** shall take the most appropriate measures against those responsible.

If the violation of the Model results in a breach of trust, the sanction shall be dismissal for just cause.

7.3. Measures against directors

Upon receiving news of a violation of the provisions and rules of conduct of the Model by members of the Board of Directors, the Supervisory Body shall promptly inform the Board of Statutory Auditors and the entire Board of Directors of the incident. The recipients of the Supervisory Body's report may, in accordance with the Articles of Association, take appropriate measures, including, for example, convening a shareholders' meeting in order to adopt the most appropriate measures provided for by law.

7.4. Measures against business partners, consultants, collaborators, and third-party companies in general

Any violation by business partners, consultants, external collaborators, or other parties having contractual relationships with the Organization of the provisions and rules of conduct set forth in the Model applicable to them, or the commission of any offenses covered by Legislative Decree 231/2001 by them, will be sanctioned in accordance with the specific contractual clauses that will be included in the relevant contracts.

Such clauses, making explicit reference to compliance with the provisions and rules of conduct set out in the Model, may provide, for example, for the obligation on the part of these third parties not to take any action or engage in any conduct that would result in a violation of the Model by the company. In the event of a breach of this obligation, the contract shall be terminated and penalties may be applied.

The company obviously reserves the right to claim compensation for damages resulting from the violation of the provisions and rules of conduct set out in the Model by the aforementioned third parties.

Third-party companies are required to comply, in particular with regard to health, safety, and environmental management, with the code of conduct adopted by **LIMONTA SPORT S.p.A.** and to work fully towards achieving the objective of maximum health and safety protection wherever they operate for the company; otherwise, the company reserves the right to remove them.

8 REFERENCE DOCUMENTS

- Company organization chart
- National Textile Sector Contract
- National Construction Industry Agreement
- Supervisory Body Regulations
- Code of Ethics
- Health and Safety Organization Chart
- M.O. Specific Health and Safety Section
- Specific Environmental Procedures
- Special Operating Procedures for crimes against the public administration and other criminal offenses provided for by Legislative Decree no. 231/01.
- Correspondence Table with Health and Safety Management System according to BS OHSAS 18001/UNI ISO 45001 integrated for the environmental part according to ISO 14001

G REVISION HISTORY

- REV. 0 of 11/25/2011 First Issue REV. 1
of 11/30/2015 Update
- REV. 2 dated 13/01/2016 Update and inclusion of Environmental Offenses management
- REV. 3 of 04/18/2017 Update
- REV. 4 of 09/11/2019 Organizational changes, transition to UNI ISO 45001:18 standard REV. 5 of
01/20/2022 Document revision and organizational changes
- REV. 6 of 11/30/2023 Document revision for introduction of Legislative Decree 24/2023 Whistleblowing
- REV. 7 of 09/19/2025 Introduction of crimes against the public administration and other criminal offenses
provided for by Legislative Decree 231/01.