

ORGANISATIONAL MODEL 231

ORGANISATION, MANAGEMENT
AND CONTROL MODEL

SUMMARY DOCUMENT

A) This Organisation, Management and Control Model ("**Model**") pursuant to Legislative Decree No. 231 of 8 June 2001 ("**Decree**" or "**Decree 231**") was approved by the Board of Directors of Lafert S.p.A. ("**LAFERT**" or "**the Company**") on August 4, 2022.

The Model updates and replaces the Model previously approved on February 14, 2017, which was limited to contents regarding environmental and occupational health and safety offenses.

B) The Model consists of:

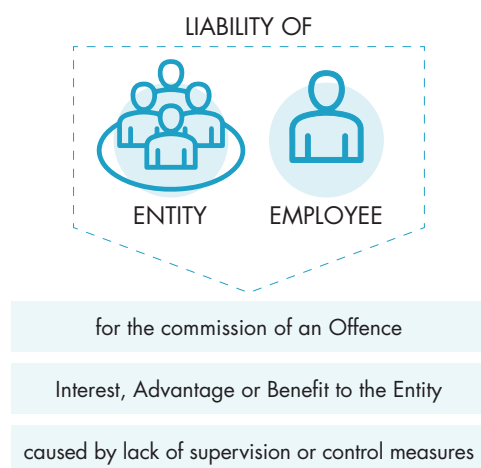
- a "**General Section**", which contains an indication of: the principles of Decree 231, the fundamental elements of the Model, the duties and functions of the Supervisory Board and the guarantees of compliance with the Model, including the disciplinary system;
- a "**Special Section**" that contains a brief description of: the offences that may be a source of liability for the Company, the main areas in which offences could be committed, the main activities that could lead to the commission of offences, as well as the general rules of conduct to be adhered to in order to prevent the commission of such offences.

C) The full and correct application of the Model is guaranteed and facilitated by:

- a Code of Ethics containing the set of rights, duties and responsibilities of the Addressees of the Model;
- a system of procedures and *governance* frameworks within the Company, which describe the distribution of tasks and responsibilities within the corporate structure;
- the activities of the Supervisory Board.

The Administrative Liability of Entities

The Decree therefore establishes a legal regime of **administrative liability for legal entities in addition to the liability of the natural person who is the material author of the offence**. This form of administrative liability exists only for the offences exhaustively listed in the aforementioned Decree.



The liability of the Entity arises from the commission of one of the Offences by a person holding a managerial position within the Entity, or by an employee, and from the circumstance in which an advantage or profit for the Entity is derived from that offence.

Frequently the unlawful conduct of the individual is not the result of their initiative or specific intention, rather it is the result of an internal policy or decision-making practice of the Entity or, in the most serious cases, is committed precisely in compliance with a decision taken by the Entity's decision-making body.

The Addressees of Decree 231

The persons whose conduct may be relevant under the Decree are:

- **"Senior Persons"**
Natural persons in senior positions
(administration, management, company representatives or an organizational unit with financial and functional autonomy or persons exercising de facto management or control);
- **"Subordinates"**
Individuals subject to the direction or supervision of one of the Senior Persons.

Exemption from liability

The presence of an Organisational Model (Model 231) may lead to the exclusion of the Entity's liability for the offences committed by Senior Persons and/or Subordinates, if the Entity can demonstrate that:

- a) the Governing Board has adopted and effectively implemented a sufficiently precise and comprehensive Model 231 prior to the commission of the offence;
- b) a Supervisory Board has been set up within the Entity itself holding autonomous powers of initiative and control, with the task of supervising the operation and compliance with Model 231, as well as ensuring that the Model is updated when appropriate;
- c) the persons who committed the offence acted by fraudulently circumventing relevant Control Measures and Model 231;
- d) The SB's supervision has been adequate and sufficient.

What determines the Entity's exemption from liability is not the sole and formal adoption of a Model, but the effective and efficient implementation of the Model and of all the Procedures useful and necessary to contain the risk of committing any Offence.

Sanctions

Decree 231 provides for the following structure of sanctions against the Entity:

Pecuniary sanctions	Debarment sanctions	Requisition	Publication of judgement
Proportional to the contested act	Serious administrative shortcomings	- of profit, or - of the price of the offence	At the Entity's expense

Circulation of the Model

Addressees	The Addressees of this Model are all the employees of the Company, all those who hold functions of representation, direction, management, or control (including de facto), all those who are subject to direction or supervision by the Senior Persons of the Company.
Contractual value of the Model and compliance with the law	The rules contained in the Model supplement the conduct that the employee is required to observe in their employment contract, and in accordance with the rules of ordinary diligence and relevant laws.
Communication and information to third parties	The Company also provides for the circulation of the Model to those who have non-subordinate collaborative relationships, consultancy relationships, agency relationships, distribution relationships or other types of relationships that take the form of a professional, non-subordinate service, whether continuous or occasional. As far as Third Parties are concerned, the Company provides appropriate information in relation to the adoption of the Model, inviting all Third Parties to read the contents of the Code of Ethics and the General Section of the Model on its website. Contracts with Third Parties include specific clauses aimed at informing them of the adoption of the Model, the consequences of non-compliance with the precepts contained in the General Section of the Model and the Code of Ethics, and at committing the Third Parties not to commit any of the Legislative Decree 231 offences.
Whistleblowing	For the protection of LAFERT's integrity and pursuant to Decree 231, the Addressees of the Model are invited to submit, based on precise and concordant factual elements, circumstantiated reports of unlawful conduct, as well as any violation of the Model they become aware of as a result of the role performed within the Company. Reports shall be formulated in such a way as to allow a clear reconstruction of the facts and the persons involved and may be accompanied by any documentary support. Reports will be evaluated by the Supervisory Board professionally and diligently. If the Supervisory Board decides that no further action is necessary, it will explain its decision in writing. In any case, those that make a report will be protected against any form of retaliation or victimization and their confidentiality will be protected by any means possible. Those that make unfounded reports with malice or gross negligence may be subject to disciplinary sanctions.

Reporting channels

LAFERT provides its employees and collaborators with three different reporting channels, together with the option of submitting reports anonymously; reports can be sent via:



e-mail – exclusive to the Supervisory Board:
organismo.vigilanza@shi-g.com



mail address of the Supervisory Board:
Organismo di Vigilanza di Lafert S.p.A.
Via Kennedy n. 43 - 30027 San Donà di Piave (VE)

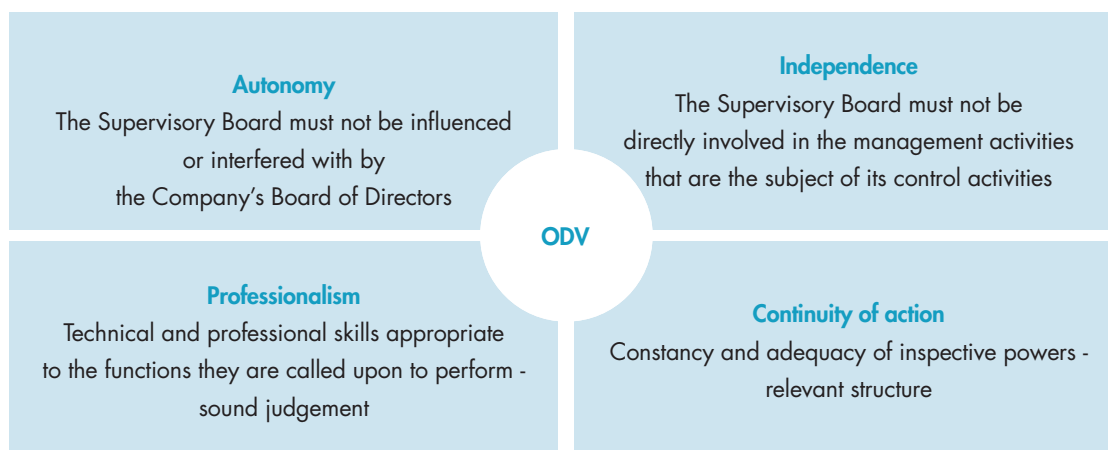


collection points for reports, which Addressees may freely use to enter written notes of reports, also in anonymous form

Whistleblowers enjoy the protection provided for by the law against retaliation or discrimination following a report. The Disciplinary System also provides for specific sanctions in the event of violation of the aforementioned protection, or in the event of unfounded reports made with malice or serious misconduct.

The Supervisory Board

According to the provisions of Articles 6 and 7 of Decree 231, the Supervisory Board must be distinguished by:



The Board of Directors of LAFERT has appointed a collective body consisting of three members as the Supervisory Board of the Company, one of whom acts as Chairman.

This collegial Supervisory Board operates in continuity with the previous single-member Supervisory Board, which was appointed on February 14, 2017. The Supervisory Board remains in office for the term indicated in the deed of appointment, which may be renewed.

Purpose

Generally speaking, the function of LAFERT's Supervisory Board consists of:

- monitoring the effective application of the Model in relation to the different types of Offences;
- identifying and proposing to the Company's Board of Directors updates and amendments to the Model, its annexes and/or the existing Procedures due to regulatory changes or changes in Company needs and circumstances.

Powers

In order to perform the above-mentioned functions and tasks, the Supervisory Board is granted the following powers:

- extensive access to the various corporate documents;
- avail itself of the support and cooperation of the various corporate structures and corporate bodies;
- confer specific consultancy and assistance appointments on professionals, including professionals from outside the Company.

In order to facilitate its supervision on the effectiveness of the Model, the Supervisory Board needs to be informed, by means of specific reports by the Addressees (and, where appropriate, Third Parties) of events that could lead to liability to LAFERT's liability pursuant to Decree 231.

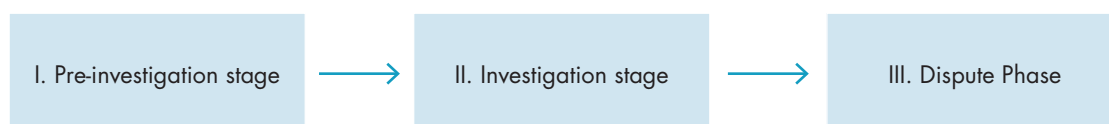
The Supervisory Board reports to LAFERT's Board of Directors on its activities, the implementation of the Model and any relevant events and issues.

Disciplinary System

The Company has set up a disciplinary system, adopted and implemented in compliance with the collective bargaining labour agreements ("CCNL") in the metalworking sector, and the relevant applicable labour laws (included the relevant Sections of the Italian Civil Code, the relevant CCNL applying to employees, as well the Workers' Statute).

This disciplinary system is suitable for ensuring the respect of LAFERT's Model by all employees. In case of violation of Model 231, Disciplinary proceedings begin with the detection/reporting of an actual or alleged breach.

The stages of the procedure are:



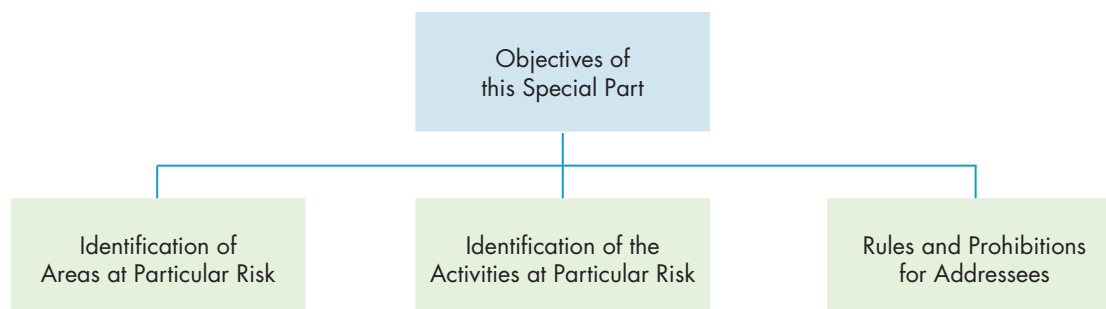
At the end of proceedings where a violation is established, specific sanctions will be applied in proportion to the severity of the violation and may consist of:

- verbal warning;
- written warning;
- fine in an amount not exceeding the amount of 3 hours' pay calculated, depending on the classification, in the manner provided for in the CCNL;
- suspension from work and pay, up to a maximum of 3 working days;
- disciplinary dismissal with or without notice, depending on the seriousness of the act committed.

In the event of a Breach by Third Parties, the Company, depending on the seriousness of such Breach, may:

- remind those concerned to strictly comply with the Model's provisions; or
- be entitled, depending on the relevant contract type, to terminate the relationship for just cause, or to terminate the contract for breach.

General principles



The Special Section of the Model describes the behaviours deemed relevant and the procedures put in place by the Company to mitigate the risk of offences being committed.

Each individual section of the Special Section focuses on each one of the families of offences deemed relevant.

The families of offences are:

1. Offences against the public administration
2. Cyber crimes and illegal data processing
3. Crimes against industry and trade
4. Corporate offences
5. Health and safety at work offences
6. Anti-money laundering and stolen goods offences
7. Copyright crimes
8. Inducement crimes
9. Environmental crimes
10. Employing a foreign national without work permit
11. Tax offences
12. Smuggling crimes

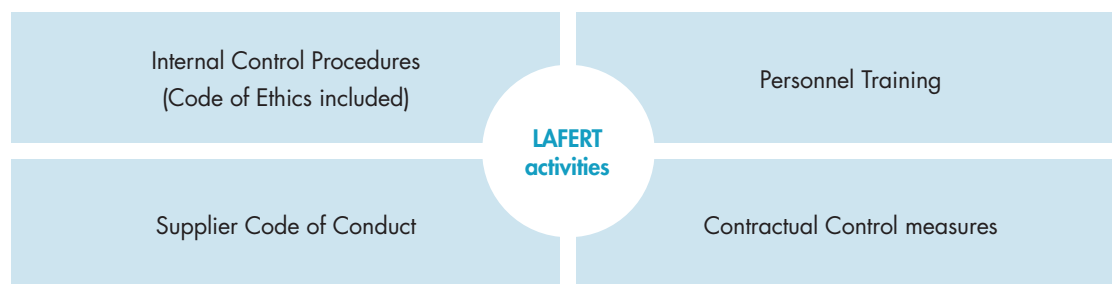
There is a separate section for each family of offences.

Within each section there is a detailed description of all the offences belonging to that family.

For each offense, the following are provided:

- a) the description of the behavior;
- b) the departments involved;
- c) the activities at risk;
- d) Lafert's procedures that if complied with reduce the risk of the offense being committed.

Control measures



The Company has set up and implemented specific and appropriate preventive measures to avoid any Offences being committed within the Company:

- **Internal Measures:**

- Group Code of Ethics and Conduct (also referred to as **"Code of Ethics"**);
- Authorization Chart (P-01-001), an internal organisational document outlining the decision-making process in the Company by subject, with an allocation of powers distributing according to principles of separation of powers and allocation of decision-making responsibility by department and seniority;
- Specific Control Measures for each relevant subject.

- **External Measures:**

- Code Ethics for Suppliers;
- Specific contractual clauses in supply, service or consultancy contracts with Third Parties.

It is important to point out that both the Code of Ethics and the Authorisation Chart need to be complied with at all times, in any situation.