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

Version 2.1	Adopted by the Board of Directors	13/07/2026

Sommario

Definitions

- ***Company:*** Frascold S.p.A.
- ***Sensitive Activities:*** activities of the Company in which there is a risk, even potential, of committing the offences referred to in the Decree.
- ***Supervisory Authority:*** entities that for any reason can carry out control and supervision activities
- ***CCNL:*** National Collective Bargaining Agreement currently in force and applied by the Company.
- ***Code of Conduct or Code of Ethics:*** Code of Conduct adopted by the Company, formalized in the document "Code of Ethics".
- ***Consultants:*** persons who, due to their professional skills, provide their intellectual work in favour of or on behalf of the Company on the basis of a mandate or other professional collaboration relationship.
- ***Legislative Decree 231/01 or Decree 231:*** Legislative Decree no. 231 of 8 June 2001 and subsequent amendments or additions.
- ***Employees:*** persons who have an employment or quasi-subordinate employment contract with the Company.
- ***Public Service Officer:*** the person who "in any capacity provides a public service", meaning an activity regulated in the same forms as the public function, but characterized by the lack of powers typical of the latter (Article 358 of the Criminal Code).
- ***Confindustria Guidelines:*** Confindustria guide-document (approved on 7 March 2002 and updated in March 2014) for the construction of the organisational, management and control models referred to in the Decree.
- ***Model, MOG or MOGC:*** Organisation, management and control model pursuant to Legislative Decree 231/01 or according to the use of the term, this Company Model.
- ***Corporate Bodies*****:** both the administrative body and the board of statutory auditors of the Company.
- ***Supervisory Body or SB:*** body provided for by art. 6 of the Decree, responsible for supervising the operation and compliance with the Model and its updating.
- ***P.A.:*** the Public Administration, the Public Official or the Public Service Officer, and as better defined in the Special Part.
- ***Partners:*** contractual counterparties of the Company, natural or legal persons, with whom the Company enters into any form of contractually regulated collaboration.

- ***Public Official:*** the person who "exercises a legislative, judicial or administrative public function" (Article 357 of the Criminal Code), and as better defined as a Special Section.

- ***Predicate offences:*** offences to which the discipline provided for by Legislative Decree 231/01 applies, also following its subsequent amendments or additions.

- ***Function Manager:*** responsible for coordinating company activities by functional areas.

- ***Top Managers:*** persons who hold representation, administration or management functions of the Company or of one of its units with financial and functional autonomy, as well as persons who exercise, even de facto, the management or control of the Company.

- ***Subordinate Persons:*** persons subject to the direction or supervision of one of the subjects referred to in the previous point.

- ***Top management:*** Board of Directors, Chairman of the Board of Directors, Chief Executive Officer.

Document structure

This document, divided into a General Part and a Special Part, includes an examination of the regulations issued by Legislative Decree 231/01 (hereinafter also the "Decree"). The General Part consists of the guidelines that describe the process of adoption of the Model by **Frascold S.p.A.** (hereinafter also referred to as the "Company"), the offences relevant to the Company, the recipients of the Model, the Supervisory Body (hereinafter also referred to as the "SB"), the sanctioning system to oversee violations, the information flows to the SB and to the Management Body and the staff training obligations.

In addition to what is expressly established below, the following are also an integral part of this document:

- the mapping of risk areas aimed at identifying Sensitive Activities, referred to here in full and in the Company's records;
- the Code of Ethics, which defines the principles and rules of corporate conduct.

These deeds and documents are available in the manner provided for their dissemination within the company.

General Part

1 Legislative Decree no. 231 of 8 June 2001

Legislative Decree no. 231 of 8 June 2001 (hereinafter the "Decree" or Legislative Decree 231/2001) introduced into our legal system the administrative liability of legal persons, companies and associations, including those without legal personality (also referred to as "Entities") in the event of the commission or attempted commission of certain types of crimes or administrative offences in the interest or to the advantage of the Entity by:

- persons who hold representation, administration or management functions of the Entity or of one of its Organisational Units with financial and functional autonomy, as well as by natural persons who exercise, even de facto, the management and control of the same (so-called "Top Managers");
- subjects "Subordinate" to the direction or supervision of the persons referred to in the previous point.

The legislation does not apply to the State, local public bodies, other non-economic public bodies as well as bodies that perform functions of constitutional importance.

The Decree intended to adapt the internal legislation on the liability of persons legal to some international conventions to which Italy had already adhered for some time.

This liability, although defined by the legislator as "administrative", has the characteristics of criminal responsibility, since it is ascertained in the context of the criminal process, follows the commission of crimes and provides for the application of sanctions borrowed from the criminal system.

The liability of the Entity, pursuant to the Decree, is in addition to and does not replace that of the (criminal) offender: both the natural and legal persons will therefore be subject to criminal trial.

1.1 The responsibility of the Entity

The liability of the entity exists not only when it has derived an immediate financial advantage from the commission of the crime, but also in the event that, even in the absence of such a result, the fact is motivated by the interest of the company. The improvement of one's position on the market or the concealment of a situation of financial crisis are cases that involve the interests of the company without however bringing it an immediate economic advantage.

In essence, in order for the administrative offence related to the crime not to be imputed to it in a subjective manner, the Entity must demonstrate that it has done everything in its power to prevent the commission of one of the crimes provided for by the Decree in the exercise of business activity. For this reason, the Decree itself provides for exemption from liability only if the Entity demonstrates:

- that the management body has adopted and effectively implemented, before the commission of the act, organisational, management and control models suitable for preventing crimes of the kind that occurred;
- that the Model has been fraudulently circumvented;

- that the task of supervising the operation and observance of the models and of ensuring that they are updated has been entrusted to a body of the Authority with autonomous powers of initiative and control;
- that there has been no omission or insufficient supervision on the part of the aforementioned body.

The conditions listed above must be combined so that the liability of the Entity can be excluded. The exemption from fault of the company therefore depends on the adoption and effective implementation of a Crime Prevention Model and the establishment of a Supervisory Body on the Model, which is assigned the responsibility of supervising the compliance of the activity with the standards and procedures adopted by the company.

Although the Model acts as an exemption whether the predicate crime was committed by a person in a top position or whether it was committed by a person in a subordinate position, the Decree is much stricter and stricter in the event that the crime was committed by a person in a top position, since, in this case, the Entity must prove that the crime was committed by fraudulently evading the Model.

In the case of crimes committed by persons in a subordinate position, the Entity can instead be called upon to answer only if it is ascertained that the commission of the crime was made possible by the failure to comply with the obligations of management or supervision. In this case, it is a real fault in the organization: the company has indirectly consented to the commission of the crime, not supervising the activities and subjects at risk of committing a predicate crime.

1.2 Cases of crime identified by the Decree

The Entity may be called upon to answer only for the crimes expressly referred to in the Decree. The Decree in its original version and subsequent additions, as well as the laws that explicitly refer to the discipline, indicate in art. 24 et seq. the crimes that may give rise to the liability of the Entity, so-called. "Predicate Crimes".

On the date of approval of this document, the Predicate Offences belong to the categories indicated below:

- Undue receipt of disbursements, fraud to the detriment of the State, a public body or the European Union or to obtain public disbursements, computer fraud to the detriment of the State or a public body and fraud in public procurement (art. 24);
- Computer crimes and unlawful data processing (24-bis);
- Crimes of organized crime (24-ter);
- Embezzlement, bribery, undue inducement to give or promise benefits, corruption and abuse ex officio (art. 25);
- Forgery of coins, public credit cards, revenue stamps and identification instruments or signs (25-bis);
- Crimes against industry and commerce (25-bis-1);
- Corporate crimes (25-ter);
- Offences for the purpose of terrorism or subversion of the democratic order provided for by the penal code and special laws (25-quarter);

- Practices of mutilation of the female genital organs (25-quarter-1);
- Crimes against the individual personality (25-quinquies);
- Offences of market abuse (25-sexies) and related administrative offences (Law no. 62 of 18 April 2005, art. 9);
- Crimes of manslaughter and serious or very serious culpable injuries, committed in violation of accident prevention regulations and on the protection of hygiene and health at work (25-septies);
- Receiving stolen goods, laundering and use of money, goods or utilities of illegal origin, as well as self-laundering (25-octies);
- Offences relating to non-cash payment instruments (25-octies.1);
- Offences relating to the violation of restrictive measures of the European Union - Legislative Decree 211/2025 (25 Octies 2);
- Offences relating to copyright infringement (25-novies);
- Inducement not to make statements or to make false statements to the judicial authority (25-decies);
- Environmental crimes (25-undecies);
- Employment of illegally staying third-country nationals (25k);
- Racism and xenophobia (25-terdecies);
- Fraud in sports competitions, abusive exercise of gaming or betting and games of chance exercised by means of prohibited machines (25-quaterdecies);
- Reati tributari (25-quinquiesdecies);
- Smuggling offences (art. 25-sexiesdecies).
- Liability of entities for administrative offences dependent on crime (Art. 12, Law no. 9/2013) [A prerequisite for entities operating in the virgin olive oil supply chain]
- Transnational crimes (Law no. 146/2006) [The following crimes are a prerequisite for the administrative liability of entities if committed in a transnational manner]
- Crimes against cultural heritage (25-septiesdecies)
- Recycling of cultural property and devastation and looting of cultural and landscape property (25 – duodevicies)
- Crypto-assets (Legislative Decree 129/2024), adaptation to Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023
- Crimes against animals (25-undevicies).

1.3 The characteristics of the Organisation, Management and Control Model

The mere formal adoption of the Model is not a sufficient condition as an exemption for the liability of the company; the Decree merely regulates some general principles, but does not provide specific characteristics. The Model operates as an exemption only if:

- effective, or if reasonably suitable for preventing the offence or offences committed;
- effectively implemented, i.e. whether its content is applied in company procedures and in the internal control system.

As for the effectiveness of the Model, it is appropriate that within it:

- the activities of the company in which offences may be committed are identified;
- dissemination and training activities are planned;
- the methods of managing financial resources suitable for preventing the commission of crimes are identified;
- a disciplinary system is introduced to sanction non-compliance with the measures indicated in the Model;
- there are information obligations towards the Supervisory Body;
- in relation to the nature and size of the organisation, as well as the type of activity carried out, suitable measures are provided to ensure that the activity is carried out in compliance with the law and to promptly detect and eliminate risk situations.

The Decree establishes that the Model is subject to periodic verification and updating, both in the event that significant violations of the provisions emerge and in the event of significant changes in the organization or activity of the company.

The Model, although varying and adapting to the nature, size and specific activities of the company, can be configured as a set of principles, tools and conducts that regulate the organization and management of the company, as well as the control tools.

1.4 Crimes committed abroad

By virtue of art. 4 of the Decree, the Entity may be called upon to answer in Italy for Predicate Crimes committed abroad.

The Decree, however, makes this possibility subject to the following conditions:

- the State of the place where the crime was committed does not proceed;
- the company has its main office in the territory of the Italian State;
- the crime is committed abroad by a person functionally linked to the company;
- the general conditions of admissibility provided for in articles 7, 8, 9, 10 of the penal code to be able to prosecute in Italy a crime committed abroad.

1.5 Penalties

The entity held responsible can be sentenced to four types of sanction, different in nature and method of execution:

Financial penalty:

it is always applied if the judge holds the entity liable. Unlike what is provided for in the rest of the criminal and administrative system, the financial penalty is determined by the judge through a system based on "quotas". Each offence provides for a minimum and a maximum of quotas, the monetary value of which is then determined by the judge, taking into account the conditions "economic and patrimonial of the Entity", in such a way as to ensure the effectiveness of the sanction. The administrative sanction for a crime is applied by the criminal court or by the judge competent to judge the perpetrator of the criminally relevant offence; by the administrative authority, in cases where which provides for the liability of the Entity for the administrative offence committed in its interest or to his advantage.

Disqualification sanction:

it can be applied in addition to financial penalties but only if expressly provided for the crime for which the prosecution is being carried out and only if at least one of the following conditions is met:

- the Entity has made a significant profit from the crime and the crime has been committed by a top manager, or by a subordinate person, but only if the commission of the crime was made possible by serious organizational deficiencies;
- in the event of repetition of offences.

The disqualification sanctions provided for by the Decree are:

- temporary or permanent prohibition from carrying out the activity;
- the suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- the prohibition of contracting with the Public Administration, except to obtain the performance of a public service;
- the exclusion from concessions, financing, contributions or subsidies and the possible revocation of those already granted;
- the temporary or permanent prohibition of advertising goods or services.

Exceptionally applied with definitive effects, disqualification sanctions are usually temporary, in an interval ranging from three months to one year, and have as their object the specific activity to which the offence of the Entity refers. They can also be applied as a precautionary measure, before the conviction, at the request of the Public Prosecutor, if there are serious indications of the liability of the Entity and there are well-founded and specific elements to be considered as a concrete danger that offences of the same case as the one for which the proceedings are being carried out.

***Confiscation*:**

consists of the acquisition by the State of the price or profit of the crime or of a value for the they equivalent.

Publication of the sentence:

consists in the publication of the sentence only once, in extract or in full at the expense of the Entity, in one or more newspapers indicated by the judge in the sentence as well as by posting in the Municipality where the Entity has its main office.

Although applied by the criminal court, all sanctions are of an administrative nature. The framework of the penalties provided for by the Decree is very severe, both for the high amount of the penalties pecuniary sanctions, and because disqualification sanctions can greatly limit the exercise of normal business activity, precluding a series of business.

The administrative sanctions against the Authority are time-barred at the end of the fifth year from the date of the date of commission of the crime.

2 Purpose of the Model

The main objective of the Model is to create an organic and structured system of control principles and procedures, aimed at preventing, where possible and concretely feasible, the commission of the offences envisaged by the Decree. The Model will be integrated with the Company's governance system, and will implement the process of spreading a corporate culture based on fairness, transparency and legality.

The Model also has the following purposes:

- provide adequate information to Employees, to those acting on behalf of the Company, or who are linked to the Company by relationships relevant to the Decree, regarding activities involving the risk of committing crimes;
- to spread a business culture that is based on legality, as the Company prohibits any conduct that does not comply with the law or internal provisions, and in particular with the provisions contained in its Organizational Model;
- spreading a culture of control;
- ensure an effective and efficient organization of the company, placing particular emphasis on the formation of decisions and their transparency, on the provision of preventive and subsequent controls, as well as on the management of internal and external information;
- implement all the necessary measures to eliminate any situations of risk of committing crimes as soon as possible.

3 Nature of the Model

This document constitutes the Company's internal regulations, binding on the same.

The Company has adopted the Code of Ethics, approved by the Company on 19/07/2023 and updated on 13/07/2026.

The Code of Ethics differs in nature, functions and contents from this document and has as its ultimate purpose the indication of the rules of conduct and ethical-social values with which Frascold S.p.A. must be permeated in parallel with the pursuit of its corporate purpose and objectives, in line with what is reported in this document.

The Model presupposes compliance with the provisions of the Code of Ethics, forming with it a corpus of internal rules aimed at spreading a culture based on ethics and corporate transparency.

The Company's Code of Ethics, which is intended to be referred to in full herein, constitutes the essential foundation of the Model and the provisions contained in the Model are integrated with its provisions.

4 Changes and updating of the Model

The Board of Directors is responsible for updating and/or supplementing this document, also on the proposal of the Supervisory Body and in any case always after consulting the Supervisory Body, when:

- violations or circumvention of the provisions contained therein, which have demonstrated ineffectiveness or inconsistency for the prevention of crimes;
- significant changes have occurred in the regulatory framework, organization or activity of the Company;
- in all other cases in which it is necessary or useful to modify the Model.

In any case, any events that make it necessary to amend or update the Model must be reported by the Supervisory Body in writing to the Board of Directors, so that it can carry out the resolutions within its competence.

Changes to the company procedures necessary for the implementation of the Model are made by the Departments concerned. The Supervisory Body is constantly informed of the updating and implementation of the new operating procedures and expresses its opinion on the proposed amendments.

The update to this Version 2.1 incorporates the assessment and adaptation with respect to the 231 offences introduced or amended after the date of approval of the Model (19/07/2023).

In particular, attention was drawn mainly to the following changes/
additions to the law and to the catalogue of 231 offences until 31/12/2025:

• Implementation of the Whistleblowing Directive referred to in Legislative Decree 24 March 2023;

• Amendments to Article 24 of Decree 231 (crimes against the Public Administration), following Law 137/2023 supplemented with the introduction of the crimes of disturbed freedom of tenders (Article 353 of the Criminal Code) and disturbed freedom of the procedure for choosing the contractor (353-bis of the Criminal Code); and following Law 90/2024; intervened on Article 640, paragraph 2, no. 1, of the Criminal Code, fraud to the detriment of the State or other public body or the European Communities, with the tightening of the penalties provided;

• Amendments to Art. 25 of Decree 231 (crimes against the Public Administration): i) following Law 112/2024 which introduced a new type of crime: art. 314-bis "Undue destination of money or movable property; ii) following Law 114/2024 intervened on art. 346-bis of the Criminal Code, which regulates the crime of trafficking in illicit influence. iii) following Legislative Decree 92/2024 which eliminated Article 323 and the crime of abuse of office from art. 322 bis;

• Amendments to Art. 25 sexiesdecies of Decree 231 (smuggling offences) following Legislative Decree 141/2024 which repeals and replaces the Consolidated Law on Customs Legislation (TULD) and numerous other special laws, reorganising the reference framework and amending the offences accordingly (Articles 78 – 88); and following Legislative Decree 81/2025 which introduces provisions supplementary and corrective measures in the field of tax compliance, two-year arrangement with creditors, tax justice and tax penalties (Article 88).

• Amendments to Art. 25 octies-1 of Decree 231 (Offences relating to non-cash payment instruments and fraudulent transfer of valuables) following Law 137/2023 and amended by Decree-Law 19/2024 with reference to the crime of fraudulent transfer of valuables (Article 512-bis of the Criminal Code);

• Amendments to Art. 25 novies of Decree 231 (Crimes relating to copyright infringement) following Law 166/2024 (Articles 171 bis C1; 171 bis C2; 171 ter; 171septies); Law 132/2025 containing provisions and delegations to the Government on artificial intelligence (art. 171).

• Amendments to Art. 25 quinquesdecies of Decree 231 (tax crimes) following Legislative Decree 87/2024 with which the system of administrative tax sanctions was reformed. tightening the penalties provided for the crime of undue compensation (art. 10-quarter Legislative Decree no. 74/2000)

• Amendments to Article 25 ter of Decree 231 (corporate crimes) following Legislative Decree 19/2023 integrated with the crimes of false or omitted declarations for the issuance of the preliminary certificate (Article 54 of Legislative Decree); and following Law 132/2025 containing provisions and delegations to the Government on artificial intelligence (Article 2637).

• Amendments to Art. 25 undecies of Decree 231 (environmental crimes) following Law 82/2025 and Legislative Decree: 116/2025 converted into Law 147/2025 containing new environmental cases in particular for waste management.

• Introduction Art. 25 octies 2 of Decree 231 (Offences relating to the violation of restrictive measures of the European Union) following Legislative Decree 211/2025.

5 Governance System

The Company's corporate governance system is currently structured as follows:

- **Assembly**

The Shareholders' Meeting is competent to resolve, in ordinary and extraordinary session, on the matters relating to it reserved by law or by the Articles of Association.

- **Board of Directors**

The Board of Directors, the administrative body provided for by the Company's Articles of Association, is vested with the broadest powers for the ordinary and extraordinary management of the Company with the power to carry out all acts deemed appropriate for the achievement of the corporate purpose, excluding only those reserved to the shareholders' meeting by law.

- **Board of Statutory Auditors**

The company's management is controlled by a Board of Statutory Auditors consisting of three standing members and two alternate members appointed and functioning in accordance with the law. The Statutory Auditors must meet the legal requirements, with particular regard to the requirements prescribed by reason of their possible accounting control function.

- **Accounting control**

The accounting control of the Company is exercised by an auditing firm.

6 Adoption of the Model

The process of adopting the Model, for its effectiveness, requires formal and substantial steps for the codification of precise rules of conduct such as to constitute an effective tool for raising awareness among all those who operate in the name and/or on behalf of the entity itself.

In compliance with the provisions of the Decree, the Company proceeded to adopt its Organisation, Management and Control Model by resolution of the Board of Directors on 19/07/2023 concerning "1. Organisation, management and control model and supervisory body. Law 231/2001, related and consequent resolutions. 2. Code of Ethics, related and consequent resolutions". On 13/07/2026, the Board of Directors resolved to update the aforementioned model to this Version 2.1.

The Model, inspired by the Guidelines for the purposes of Legislative Decree no. 231 of 8 June 2001 proposed by Confindustria in the March 2014 version, the G.D.F. circulars, the indications provided by the National Council of Chartered Accountants and Accounting Experts, the case law on the merits and legitimacy, has been drawn up taking into account the structure and activity actually carried out by the Company, the nature and size of its organisation.

The Company has carried out a preliminary analysis of its business context and subsequently an analysis of the areas of activity that present potential risk profiles in relation to the commission of the offences indicated by the Decree.

In particular, the following were analyzed:

- the history of the Company,
- the corporate context,
- the market to which it belongs,
- the company organization chart,
- the existing corporate governance system,
- the system of powers of attorney and delegations,
- existing legal relationships with third parties,
- the company's operational reality, the formalized and disseminated practices and procedures within the Company for the performance of the operations.

For the purposes of preparing this document, the Company has therefore proceeded:

- the identification of Sensitive Activities, in terms of company areas in which the Predicate Offences indicated in the Decree may be committed, through interviews with the heads of the company functions, the analysis of the company organisation charts and the system for the distribution of responsibilities;
- to the self-assessment of risks (so-called "mapping of risk areas"). "mapping of risk areas") of the commission of crime and the internal control system suitable for intercepting illegal conduct;

- the identification of adequate control measures, necessary for the prevention of the crimes referred to in the Decree or for the mitigation of the risk of committing, already existing or to be implemented.

In relation to the possible commission of the offences of manslaughter and serious or very serious culpable injuries, committed in violation of accident prevention regulations and on the protection of hygiene and health at work (Article 25-septies of the Decree), the Company has analysed its business environment and all the specific activities carried out therein, as well as assessing the risks associated with it on the basis of the results of the checks carried out in compliance with the provisions of Legislative Decree no. 81 of 9 April 2008 and the special legislation related to it.

Frascold S.p.A. involved the entire organisational structure, first in the construction of the rules themselves and, subsequently, in their application.
To this end, it has adopted a plan to regularly carry out the necessary training and information sessions for employees and collaborators.

7 Crimes relevant to Frascold S.p.A.

The Frascold S.p.A. Model was developed through the survey of company activities and practices (through interviews with staff and analysis of internal documentation), always taking into account the structure and activities actually carried out, as well as the nature and size of its organization.

Specifically, with regard to the interview and risk assessment phase with company personnel, the figures involved were:

- CEO
- Head of Finance
- Production Manager
- Head of Sales & MKTG
- Aftersales R&D Manager
- Head of Service Plant dep.
- ISO 14001 Certification Manager
- Purchasing Manager
- Head of Procurement
- HR Officer

The main documents analyzed:

- Chamber of Commerce Certificate
- Statute
- Company organization chart
- Financial statements and related reports
- Quality Manual
- DVR
- Company contracts

In consideration of this activity, the Company considered the following Predicate Offences provided for by the Decree to be relevant, at least hypothetically:

- Article 24, Undue receipt of disbursements, fraud to the detriment of the State, a public body or the European Union or to obtain public disbursements, computer fraud to the detriment of the State or a public body and fraud in public supplies;
- Article 24-ter, Crimes of Organized Crime;
- Article 25, Bribery, undue inducement to give or promise benefits and corruption;
- Article 25-bis, Counterfeiting of coins, public credit cards, revenue stamps and identification instruments or signs;
- Article 25-bis 1, Crimes against industry and commerce;
- Article 25-ter, Corporate Crimes;

- Article 25-septies, Offences of manslaughter and serious or very serious culpable injuries, committed in violation of accident prevention regulations and on the protection of hygiene and health at work;
- Article 25-octies, Receiving stolen goods, laundering and use of money, goods or utilities of illegal origin as well as self-laundering;
- Article 25 octies 1: Offences relating to non-cash payment instruments;
- Article 25-octies 2 - Offences relating to the violation of restrictive measures of the European Union - Legislative Decree 211/2025
- Article 25-novies, Crimes relating to copyright infringement;
- 25-decies - Inducement not to make or to make false statements to the judicial authority
- Article 25-undecies, Environmental crimes;
- Article 25-duodocies, Employment of illegally staying third-country nationals;
- art. 25-quinquesdecies, Tax crimes;
- Article 25-sexiesdecies, Smuggling.

In the following Special Section, this document identifies the Company's activities that are defined as sensitive due to the inherent risk of committing crimes of the kind listed herein and provides for prevention principles and protocols for each of the Sensitive Activities.

8 Recipients of the Model

The **Frascold S.p.A.** Model applies:

- to those who perform, even de facto, management, administration, management or control functions in the Company or in one of its autonomous organisational units;
- to the Company's Employees, even if posted abroad to carry out the activities;
- to all those subjects who collaborate with the Company by virtue of a para-subordinate employment relationship, such as project collaborators, temporary workers, temporary workers, etc., or through agency contracts;
- to those who, although not belonging to the Company, operate under mandate or on behalf of the same, such as lawyers, consultants, etc., for the related areas of activity;
- to those parties who act in the interest of the Company as they are linked to it by contractual legal relationships, such as, for example, Partners in joint-ventures or partners for the implementation or acquisition of a business project;
- suppliers of goods and/or services who have both continuous and occasional relationships with the Company.

Any doubts about the applicability or methods of application of the Model to a subject or a class of third parties are resolved by the Supervisory Body consulted by the head of the area/function with which the legal relationship is configured.

All recipients of the Model are required to comply punctually with the provisions contained therein and its implementation procedures, applicable to each one.

This document constitutes the Company's internal regulations, binding on the same.

9 Supervisory Body

9.1 Function

The Company establishes, in compliance with the Decree, a Supervisory Body, suitable, adequate and effective in its supervisory activity, autonomous, independent and competent in the field of control of the risks associated with the specific activity carried out by the Company and the related legal profiles.

The Supervisory Body has the task of constantly supervising:

- compliance with the Model by the recipients, as identified above;
- on the effective effectiveness of the Model in preventing the commission of the offences referred to in Decree;
- on the implementation of the provisions of the Model in the context of the performance of activities of the Company;
- on the updating of the Model, in the event that it is necessary to adapt it due to changes in the company structure and organization or in the regulatory framework of reference.

The Supervisory Body shall adopt its own Operating Regulations, approving their contents and presenting them to the Board of Directors at the first available meeting following the appointment.

9.2 Requirements and appointment of the members of the Supervisory Body

The Company's top management appoints the Supervisory Body, justifying the measure concerning the choice of each component, which must be selected exclusively on the basis of the requirements of:

Autonomy

It should be noted that the requirement of autonomy should not be confused with that of independence, even if the two aspects have some similarities.
Autonomy is expressly referred to by the legislator in art. 6 of the decree which provides that the SB must be endowed with autonomous powers of initiative and control. The second requirement is not expressly contemplated by law but can be deduced in line from the principle of effectiveness of control: necessary conditions for the control of the SB to be said to be effective for the purposes of Decree 231 will in fact be the absence of constraints with respect to the top management of the entity and operational functions connected with the company's activity.

The doctrine understands autonomy, on the one hand, as freedom of action and self-determination, and on the other hand as the attribution to the body of autonomous powers, which takes the form of making available to the body the tools necessary for its effective functioning.

According to Confindustria, "the position of the SB within the entity must guarantee the autonomy of the control initiative from any form of interference or conditioning by any component of the entity and, in particular, by the governing body.

Therefore, the Supervisory Body is included in the Company's organization chart in the highest possible hierarchical position and answers, in the performance of this function, only to the Board of Directors.
In addition, the autonomy of the Supervisory Body is ensured by the obligation of the Board of Directors to make available to the Supervisory Body specifically dedicated company resources, of a number and value proportionate to the tasks entrusted to it, and to approve in the context of the formation of the company budget an adequate allocation of financial resources, proposed by the Supervisory Body itself, which the latter may have at its disposal for any need necessary for the proper performance of the tasks (e.g. specialist consultancy, travel, etc.).

Independence
With respect to autonomy, the requirement of independence relates more to the mental attitude of the member of the supervisory body, who must therefore not be involved in operational tasks in order to avoid any risk of overlapping between the figures of the controller and the controlled.
The trade associations have also expressed their opinion on the requirement of independence in the codes of conduct approved pursuant to art. 6 paragraph 3 of Decree 231.
The ABI has established that the assessment of adequacy must be carried out on the independence of the body as a whole, which depends not only on the personal characteristics of the individual members but also on the powers concretely attributed to them as members of the body.
The autonomy and independence of the individual member of the Supervisory Body must be determined on the basis of the function performed and the tasks assigned to him, identifying by whom and by what he must be autonomous and independent in order to be able to carry out these tasks. Consequently, in the event that the SB is also composed of members who hold decision-making, operational and/or managerial roles within the Company, these members must refrain from participating in the discussion and/or voting, in cases where the concrete decision-making, operational and managerial activity exercised by them in favour of the Company is such as to compromise their autonomy and independence with reference to the case under discussion or approval within the SB. In any case, the requirements of autonomy and independence presuppose that the members are not in a position, even potential, of personal conflict of interest with the Company. Therefore, the members of the Supervisory Body must not:

- be a spouse, relative or relative within the fourth degree of the directors of the Company or of the companies controlled by it or which control it or of the reference shareholders;
- be in any other situation of obvious or potential conflict of interest.

Professionalism
This requirement refers to the set of tools and techniques that the body must possess in order to be able to effectively carry out the assigned activity. These are specialized techniques specific to those who carry out the control activity, but also consultancy for the analysis of control systems and of a legal and, more particularly, criminal law. These are techniques that can be used a posteriori to ascertain how a crime could have occurred and who committed it; or in

preventive way to adopt the most suitable measures to prevent the commission of the crimes themselves. With reference to legal competences, it should not be forgotten that the discipline in question is essentially a criminal discipline and that the activity of the supervisory body has the purpose of preventing the commission of crimes. It is therefore essential to know the structure of the essential requirements and the methods of carrying out the crimes which can only be ensured through specific sector skills. Finally, it has been argued that "the type of indirect control falls within the competence of the Supervisory Body, which is not invested with a sort of transversal and general supervisory power over all sectors and functions of the business organization that may be to some extent invested by crimes, but will have to carry out its function by requesting – and receiving even without its specific requests – the necessary information from the company structure, from the persons in charge of internal control, from the audit, from the board of statutory auditors, etc. (Santoriello C. - Rivista 231, 4, 2012).

In order to implement the professionalism useful or necessary for the activity of the Supervisory Body, and to guarantee the professionalism of the Body (as well as its autonomy), the Supervisory Body is assigned a specific expenditure budget available, aimed at the possibility of acquiring skills from outside the Body, when necessary, necessarily supplementary to its own. The Supervisory Body may, therefore, also by making use of external professionals, equip itself with competent resources in legal matters, business organization, auditing, accounting, finance and safety in the workplace. The aforementioned budget may be exceeded/exceeded in the event of specific reasons of urgency.

Continuity of action

Continuity of action is a requirement of operational functionality of the supervisory body rather than a real subjective requirement. The Confindustria guidelines have decided to provide for the requirement of continuity of action and define it in a particularly stringent way. This approach was also taken up by Circ. 83607/2012 of the Guardia di Finanza, to support the alleged inadequacy of a supervisory body that is not "full-time". All this in the sense that the activity of the SB must be carried out without interruption with respect to different roles within the entity, it is still necessary to recall the indications provided by the National Council of Chartered Accountants and Accounting Experts according to which "with continuity of action we want to emphasize the need for supervision of the model to be carried out with such periodicity as to allow the SB to recognize any anomalous situations in real time".

The Supervisory Body continuously carries out the activities necessary for the supervision of the Model with adequate commitment and with the necessary powers of investigation. Continuity of action should not be understood as "incessant operation", since such an interpretation would necessarily require a Supervisory Body exclusively internal to the Entity, when in fact this circumstance would determine a decrease in the necessary autonomy that must characterize the Body itself. Continuity of action implies that the activity of the Supervisory Body must not be limited to periodic meetings of its members, but must be organized on the basis of an action plan and the constant conduct of monitoring and analysis activities of the Entity's prevention system.

Composition

The composition of the SB cannot disregard the existence of the requirements provided for as necessary by the extra-legislative sources mentioned above. The CNDCEC documents on the subject provide a summary of the possible solutions regarding the assignment of the tasks of the Supervisory Body and their appropriateness. The doctrine recognizes that it will be adequate precisely where its structure is proportionate to the size and complexity of the entity itself.

The case law on the merits has expressed itself in the sense that the SB, in order to be functional, must necessarily be endowed with indispensable powers of initiative, autonomy and control: "it is evident, in fact, that in order to ensure efficiency and functionality, the SB must not have operational tasks which, by making it participate in decisions of the entity's activity, could jeopardize the serenity of judgment at the time of the verifications" (Trib. Rome, Gip Finiti).

The guidelines drawn up by the trade associations and approved by the Ministry of Justice, to which the same legal provision (art. 6 paragraph 3 of Legislative Decree 231/2001) attributes particular dignity, expressly indicate (Gdf circ. 1903/2012 cap. 5), among the possible options for the appointment of the SB the multi-subject body made up of subjects of the entity (head of internal audit of the legal function, non-executive and/or independent director and/or auditor) and external parties. The ABI guidelines go so far as to suggest this option, in the same way as the Assosim guidelines approved by the Ministry of Justice on 12/05/2011. Finally, it must be considered that, especially for companies of small size and complexity, the identification of objectively autonomous and independent roles is difficult to apply.

Applying these principles to the company and in consideration of the specificity of the tasks that fall under the Supervisory Body, the Top Management will identify the members of the Supervisory Body, in a number that varies from time to time between one and three depending on the size and complexity of the company, on the basis of the following principles and in compliance with the personal characteristics outlined therein:

- the Chairman or single-member must be a person external to the Company and its Subsidiaries, with proven technical skills in legal matters or those related to the organization or company controls;
- in the case of a Supervisory Body composed of three members, at least one member must be identified from among persons who hold legal functions for the Company.

In the case of a member identified among the Company's internal professionals, he or she must not perform tasks of an operational or managerial nature in the company.

The above characteristics are such as to guarantee the entire SB the requirements of integrity, autonomy, independence and professionalism required by law, as well as the possibility of continuity of action that must characterise the SB's operations. In this regard, it should be noted that the SB is endowed with autonomous powers of initiative and control and that, in addition, in order to ensure its independence, it is accountable to the highest top management, by which it is appointed and dismissed.

In the event of a situation of numerical parity during the deliberations, the vote of the President of the SB will have decisive value for the adoption of the resolution. After the formal acceptance of the appointed subjects, the decision is communicated to all company levels, through internal communication.

The SB remains in office until the date decided by the Company's top management, which has provided for its appointment. The members of the SB may be re-elected.

The current composition of the Supervisory Body, appointed by resolution of the Board of Directors on 13/07/2026, is as follows:

- Single member: Prof.sa Dott.sa Anna Roberta Provasi.

9.3 Eligibility Requirements

Each member of the Supervisory Body must be professional, of good repute, independent, functional autonomy and continuity of action, as well as the competence necessary to carry out the tasks entrusted by the Decree.

All members of the Supervisory Body are required in advance not to be in any the conditions of ineligibility and/or incompatibility set out below:

- the condition of having been subjected to preventive measures ordered by the judicial authority pursuant to Law No. 1423 of 27 December 1956 (Law on preventive measures against persons dangerous to safety and public morality) or Law No. 575 of 31 May 1965 (provisions against the Mafia);
- the condition of being investigated or having been convicted, even with a sentence that is not yet final or issued pursuant to art. 444 et seq. of the Code of Criminal Procedure (plea bargaining) or even if with a suspended sentence, without prejudice to the effects of rehabilitation;
- the condition of having committed one or more offences among those exhaustively provided for by Legislative Decree 231/2001;
- imprisonment for a period of not less than two years for any non-culpable crime;
- the condition of being disqualified, incapacitated, bankrupt or having been sentenced, even with a non-final sentence, to a penalty that involves disqualification, even temporary, from public offices or the inability to exercise managerial offices.

The occurrence of even one of the above conditions will result in ineligibility for the office of member of the SB and, in the event of election, automatic forfeiture of said office, without the need for a resolution of revocation by the Company's top management, which will provide for the replacement.

9.4 Revocation, replacement, forfeiture and withdrawal

Without prejudice to the provisions of the previous point, the revocation from the office of member of the SB can only take place through a resolution of the Board of Directors and only in the presence of just cause.

The conditions legitimizing revocation for just cause are:

- the loss of eligibility requirements;
- the failure to comply with the obligations inherent in the assignment entrusted;
- lack of good faith and diligence in the exercise of their duties;
- the lack of collaboration with the other members of the SB;
- the unjustified absence from more than two meetings of the SB.

In the presence of just cause, the Top Management revokes the appointment of the member of the SB who is no longer suitable and, after adequate justification, provides for his immediate replacement.

Grounds for forfeiture of office, before the expiry of the term, shall be the supervening inability or impossibility to exercise the office.

Each member of the SB may withdraw from the office at any time, subject to prior notice at least one month with written and motivated communication to the Company's top management.

In the event of forfeiture or withdrawal of one of the members of the SB, the Top Management shall promptly replace the member who has become unsuitable, also with notification by the Chairman of the SB.

9.5 Activities and powers

The performance of the role of member of the SB presents a high level of complexity and delicacy, it should be remembered that the subject ultimately called upon to assess the adequacy of the model will be the criminal judicial authority. The only regulatory references to identify the powers and functions are contained in art. 6 paragraph 1 letter b of Legislative Decree 231/2001. despite the delicacy of the role, there is no organic discipline that supports the SB in the concrete performance of its activity, therefore having to resort to the support offered by doctrine, jurisprudence, and trade associations.

It should be remembered that in addition to the ordinary activity during the mandate which, as provided for by art. 6, is focused on the supervision of the operation, and compliance with the model, at least two other areas of activity of the professional called to be part of the SB can be hypothesized: 1) in the preliminary phase (preparatory to the adoption of the MOG) 2) in the phase following a possible crime.

In the preliminary phase, the SB may have an active role or simply a participation role for a better knowledge of the model, in the event of crimes and proceedings against the entity, the SB may have a role in assisting the entity in its defense, in particular to provide proof of the effectiveness of the activity entrusted to the supervisory body itself. This is because during the evaluation of the effectiveness and implementation of the model, the verification of the effective operation of the SB will play a fundamental role. This verification will inevitably be based above all on the available documents which will have to be able to testify ex post the ways in which the activity was actually carried out.

After the appointment, the SB will carry out its activity, which we will define as ordinary, within which we can further distinguish two phases: start-up/start-up and supervision. As part of the start-up phase of the activity, the supervisory body will have to familiarise itself with the model and verify that it "works" and that it is suitable for the purpose of preventing crimes. Subsequently, it will carry out the supervisory task that is expressed in supervision and control, in updating the model, in training.

As for the tasks of the SB, a useful contribution is provided by a sentence of the Court of Appeal of Milan, Second Criminal Section of 21.03.2012, which states that "the task of the SB consists in observing the functioning of the model in order to verify its suitability, detect any deficiencies that must be reported to the management body so that it can eliminate them". Therefore, the main task of the SB in the start-up phase is that of observation, while the tasks related to the subsequent supervision and "maintenance" of the model, as set out in Articles 6 and 7 of Legislative Decree 231/2001 and in the guidelines of the trade associations, can be summarized as follows:

- verification of the consistency between the concrete conduct and the established model; it takes the form of verifying the application of the rules indicated in the entire MOG through the verification of the concrete implementation of the protocols, information flows, the rules relating to the signing of deeds, proxies and powers of attorney, compliance with the limits relating to powers and expenditure thresholds, and the effective implementation of the disciplinary system;
- verification of the ability of the model itself to perform the function of crime prevention;
- supervision of the adequate dissemination of the model within the Company, regarding its knowledge by the parties involved;
- verification of the maintenance over time of the requirements of solidity and functionality of the model;
- care of the dynamic updating of the model (regulatory changes, changes in the organizational structure, commission of a crime or significant violations of the model). This activity takes the form of the submission of adaptation proposals and the subsequent verification of the implementation and effective functionality of the proposed solutions. In any case, the SB is responsible for reporting, while the responsibility for the change remains the prerogative of the administrative body.

The Supervisory Body meets at least three times a year and whenever one of the members makes a written request to the President.

The Body may delegate specific activities to individual members which will in any case be analysed and approved within the Body itself.

In order to carry out the tasks assigned, the Supervisory Body is vested with all the powers of initiative and control over all company activities and personnel levels, and has an exclusive hierarchical relationship with the Company's top management, to which it reports through its Chairman.

The tasks and responsibilities of the SB and its members may not be reviewed by any other body or company structure, it being understood that the Top Management may verify the consistency between what is carried out by the same Body and the company's internal policies.

The Supervisory Body carries out its functions by coordinating with the other bodies or functions of existing control in the Company. In particular:

- coordinates with the Directorate General with regard to aspects relating to staff training relating to issues relating to the Decree;
- collaborates with the General Management with regard to the interpretation and updating of the regulatory framework, as well as for the drafting of contractual clauses governing the application of the Model to parties outside the Company;
- coordinates with the corporate functions that carry out activities at risk in all aspects relating to the implementation of the operating procedures for the implementation of the Model.

The Supervisory Body, in supervising the effective implementation of the Model, is endowed with powers and duties that it exercises in compliance with the law and the individual rights of workers and interested parties, as follows:

- carry out or arrange for periodic inspections to be carried out, under its direct supervision and responsibility;
- access all information regarding the Company's Sensitive Activities;
- request information or the production of documents regarding Sensitive Activities, all the Company's employees and, where necessary, the directors, the board of statutory auditors, the persons in charge in compliance with the provisions of the legislation on accident prevention, safety and health protection in the workplace;
- request information or the presentation of documents regarding Sensitive Activities from collaborators, consultants, agents and external representatives of the Company and in general from all the recipients of the Model, identified in accordance with the provisions of the relevant paragraph;
- request, if deemed appropriate in the performance of their duties, information to any Supervisory Bodies of the subsidiaries;
- make use of the help and support of employees;
- make use of external consultants if problems arise that require the help of specific skills;
- propose to the body or function with disciplinary power the adoption of necessary sanctions, referred to in the relevant paragraph;
- periodically check the Model and, where necessary, propose any changes and updates to the Top Management;

- define, in agreement with the personnel manager, the training programmes of the personnel in the context of issues on Legislative Decree 231/01;
- draw up periodically, on an annual basis, a written report to the Company's top management, with the minimum contents indicated in the following paragraph;
- in the event of serious and urgent events occurring, detected in the performance of its activities, immediately inform the Company's top management;
- identify and periodically update the types of legal relationships with parties outside the Company to whom the Model should be applied, as well as determine the methods of communication of the Model to such parties and the procedures necessary for compliance with the provisions contained therein.

The Supervisory Body determines its annual budget and submits it to the approval of the Top Management.

9.6 Reporting of the Supervisory Body to the corporate bodies

The SB reports exclusively to the Company's top management, regarding the implementation of the Model, the emergence of any critical issues, the need for any updates and adjustments to the Model and the reporting of ascertained violations.

To this end, the Supervisory Body prepares an annual written report that illustrates the following specific information:

- a summary of the activities and controls carried out by the SB during the year;
- any discrepancies between the operating procedures implementing the provisions of the Model;
- any new areas of commission of crimes provided for by the Decree;
- the verification of reports received from external or internal parties concerning any violations of the Model and the results of the checks regarding the aforementioned reports;
- the disciplinary procedures and any sanctions applied to the Company, meaning only those relating to risky activities;
- a general evaluation of the Model, with any proposals for additions and improvements of form and content, on the actual functioning of the same;
- any changes to the regulatory framework;
- a statement of the expenses incurred.

Without prejudice to the above terms, the Company's top management and the Board of Statutory Auditors have the right to request meetings at any time from the SB which, in turn, has the right to request, through the competent functions or subjects, meetings with the aforementioned bodies when it deems it appropriate.

9.7 Information flows - Information obligations towards the Supervisory Body Supervision

Art. 6 co. 2 letter d) of D. Lgs. 231/2001 requires that the Model provide for information obligations towards the body responsible for supervising the operation and compliance with the Model itself. It follows that the care and management of the information system are a prerequisite for the effective functioning of the model.

The Supervisory Body receives information on the decisions of the Board of Directors relating to 231 issues and, if necessary, holds meetings with the Company's top management, the Independent Auditors and the Board of Statutory Auditors.

The SB must be constantly informed of the evolution of activities in the risk areas and has free access to all relevant company documentation.

To this end, this Model provides for an articulated and constant system of information flows to the SB, listed at the bottom of each Section of the special part, with a view to facilitating the supervision and verification of the effectiveness and effectiveness of the Model itself, informing the SB of events that could potentially generate liability on the part of the Company or to ascertain a posteriori the causes that made it possible for any crimes to occur.

The flows in question are both periodic (cyclical information by all company functions at risk of crime), as well as by event or if immediate information from the Body is required in any case and are identified in more detail at the bottom of each individual Special Section.

The cyclical information provided to the SB by the corporate functions responsible for sensitive activities relates in particular to the control activities carried out by them to implement the models (summary reports of the activities carried out, monitoring activities, final indices, etc.).

10. Whistleblowing

"*Whistleblowing*" is an institution of Anglo-Saxon origin, aimed at regulating and facilitating the process of reporting wrongdoing or other irregularities of which the Whistleblower (so-called "whistleblower") has become aware and which provides, for the latter, significant forms of protection.

The protection of employees who report wrongdoing was regulated for the first time in the public sector by art. 54-bis of Legislative Decree no. 165 of 2001. The institution of whistleblowing as a system for preventing corruption was introduced by the Law of 6 November 2012, no. 190 containing "*Provisions for the prevention and repression of corruption and illegality in the Public Administration*".

Law no. 179/2017, containing "*Provisions for the protection of those who report crimes or irregularities of which they have become aware in the context of a public or private employment relationship*", consolidated the existing legislation in the public and private sectors, strengthening the tools to protect whistleblowers and has intervened on the regulation of the liability of entities, supplementing Art. 6 of Legislative Decree no. 231/2001.

Finally, D. Legislative Decree no. 24 of 10 March 2023 (hereinafter also referred to as the "Whistleblowing Decree") implemented Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and laying down provisions on the protection of persons who report breaches of national law.

Frascold S.p.A. has adopted a Whistleblowing system in line with the regulations in force from time to time, with the aim of providing for a rigorous management of reports, to protect both whistleblowers and reported persons and other persons provided for by the legislation.

Frascold S.p.A. promotes the dissemination and use of whistleblowing as a fundamental measure to prevent and combat corruption and illegal conduct, as well as to protect any employee, in any capacity involved, and who operates correctly and in good faith.

In order to comply with the aforementioned legislation and ensure an effective *whistleblowing system*, the Company has adopted a specific procedure (whistleblowing policy) taking care of its adequate dissemination, communication and periodic updating.

The Whistleblowing Policy adopted by the Company regulates in detail the tasks and verification activities carried out by the person receiving the report and aimed at verifying its validity. The Whistleblowing Policy of Frascold S.p.A. is available at the link:
https://frascoldwhistleblowing.integrityline.com/

The disciplinary system will apply to anyone who violates the whistleblower's protection measures, therefore, by way of example, the conduct of those who have engaged in retaliatory and/or discriminatory acts against those who have made a report in good faith, those who have violated the confidentiality obligations on the identity of the whistleblower or any other measure prepared by the Company aimed at protecting the whistleblower or the persons involved/mentioned in the report will be sanctioned.

In the same way, people who have submitted reports that have turned out to be unfounded, if they have been made with intent or gross negligence, will be sanctioned.

11 Sanctioning system

This sanctioning system must be considered by the Recipients of the Model as an integral part of the company regulations and therefore is applicable to all employees, management and top management, as well as to anyone who carries out an activity on behalf of or in the interest of the Company, even if they are non-employees.

11.1 General principles

In order for the Organisation, Management and Control Model to effectively oversee the risks identified by the Company, it must have in place an adequate disciplinary system "suitable for sanctioning non-compliance with the measures indicated in the Model" (Article 6, paragraph 2, letter e) of Legislative Decree 231/2001).

For the purposes of this sanctioning system, any action or conduct that does not comply with the law and the provisions of the Model and the Code of Ethics is subject to sanction, even if the conduct is carried out in the interest of the Company or with the intention of giving it an advantage.

The application of the sanctions contained in this disciplinary system is independent of the course and outcome of any criminal proceedings initiated by the judicial authority, as the rules of conduct imposed by the Model are adopted by the Company in full autonomy and regardless of the type of offence that the violations of the Model itself may cause.

11.2 Definition and limits of disciplinary liability

The Company ensures that the sanctions that may be imposed on the recipients of this Model fall within those provided for by the laws and regulations in force, by the sanctioning system provided for by the applicable National Collective Bargaining Agreement, as internal regulations of the Company also integrating the employment contracts entered into by the Company, and by company regulations.

In addition, the Company states that for the contestation of the offence and for the imposition of the related sanction, art. 7 of Law no. 300/1970 (Workers' Statute) is applied on a procedural level.

11.3 General criteria for the imposition of disciplinary sanctions

In the procedure for imposing the sanction, both the legal status of the person against whom the proceedings are being taken (director, auditor, manager, collaborator, employee, etc.) and the type and extent of each sanction will be taken into consideration. The latter will be proportionate to the seriousness of the undue conduct and will, in any case, be defined with reference to the following general criteria:

- degree of imprudence, inexperience, negligence, negligence or wilful misconduct to the action/omission;
- relevance of the obligations violated;
- potential of the resulting damage for the Company, also in consideration of the possible application of the sanction provided for by art. 9 et seq. of Legislative Decree 231/2001;
- level of hierarchical and/or technical responsibility of the person involved;
- possible concurrence of several subjects in the commission of the same conduct;
- presence of mitigating or aggravating circumstances detected with reference to the conduct held (in particular, professionalism, disciplinary precedents and the circumstances in which the act was committed will be taken into consideration).

In any case, the principles of gradualness and proportionality with respect to the seriousness of the violations committed.

The Company always has the right to claim compensation for damages resulting from the violation of the Model, which will be commensurate:

- the level of responsibility and autonomy of the employee, the perpetrator of the disciplinary offence;
- the possible existence of disciplinary precedents against him;
- the degree of intentionality of his behavior;
- the level of risk to which the Company reasonably believes it has been exposed as a result of the impugned conduct.

11.4 Sanctioned conduct

As already mentioned, the disciplinary system is aimed at sanctioning any commissive, omissive or evasive behaviour that damages or threatens the effectiveness of this Organisation, Management and Control Model.
By way of example, the following behaviors constitute disciplinary infractions:

- violation of the principles and procedures provided for by the Model or established for its implementation;
- write, possibly in cooperation with other employees, untruthful documents or facilitate others, even without engaging in any conduct, the drafting of untruthful documents;
- to subtract, destroy or modify documents concerning the procedure, in order to evade the controls provided for by the Model;
- the failure of the hierarchical superiors to supervise the correct and effective application of the provisions of the company procedures on the conduct of their subordinates;
- obstruction of the supervisory activities of the Supervisory Body;
- the impediment to access to the information and documentation requested by the subjects responsible for monitoring procedures and decisions;
- violation of the Whistleblowing Policy of Frascold S.p.A. and of the measures put in place to protect whistleblowers;

- carrying out unfounded reports through whistleblowing channels with intent or gross negligence;
- the implementation of any other conduct suitable for circumventing the control system provided for by the Model.

11.5 The subjects subject to the sanctions and their duties

All persons who have the duty to comply with and apply the Model are also recipients of this sanctioning system.
In particular, the following are the recipients of the sanctions:

- all employees of the company, regardless of the nature, form and discipline of the relevant employment relationship (e.g. blue-collar workers, white-collar workers, middle managers, apprentices, etc.);
- the managers of the company and those who actually perform top functions;
- the members of the Board of Directors;
- the members of the Board of Statutory Auditors;
- all those who have a non-subordinate employment relationship with the Company (e.g. co.co.co), interns and/or trainees, and/or those who carry out an activity on behalf of or in the interest of the Company, even if they are non-subordinate workers (e.g. agents, consultants, etc.);
- business partners and suppliers of goods or services.

the subjects to whom specific functions and tasks are assigned, or who in any case perform, in the field of Health and Safety at Work (e.g., the Competent Doctors and, if external to the Company, the Managers and Employees of the Prevention and Protection Service).

The Recipients must align their conduct with the principles and procedures relating to corporate activities enshrined in the Organisation, Management and Control Model and in the Code of Ethics.

All Recipients are informed of the existence and content of this sanctioning system and the Supervisory Body verifies the adoption of specific procedures for its communication.

11.6 Measures and sanctions against employees

Failure to comply with the provisions and rules of conduct provided for by the Model and the Code of Ethics constitutes, if ascertained, a breach of contract in relation to the obligations arising from the employment relationship pursuant to art. 2104 of the Italian Civil Code.

Disciplinary measures are adopted against employees in accordance with art. 7 of Law no. 300 of 20 May 1970 (Workers' Statute) and the previously mentioned CCNL.

In particular, the sanctioning system provided for by the National Collective Labour Agreement of the category, depending on the seriousness of the shortcomings, provides for the following sanctions:

- verbal warning;
- written warning;
- fine;
- suspension;
- dismissal (for justified objective reason) "with notice";
- dismissal (for just cause) "without notice".

If the fact also constitutes a violation of duties deriving from the law or from the employment relationship, such as to no longer allow the continuation of the employment relationship even temporarily, the dismissal without notice may be decided, according to art. 2119 of the Italian Civil Code, without prejudice to compliance with the disciplinary procedure.

In the event of repetition of violations or violations of particular gravity or that have exposed the Company to the danger of detrimental consequences, a sanction of greater severity than that provided for the violation committed or, in the most serious cases, dismissal, is applied.

11.7 Measures and sanctions against managers

The managerial relationship is a relationship characterized by its fiduciary nature: the conduct of the manager influences both within and outside the company.
An ad hoc sanctioning system is not available a priori for managers; nevertheless, in compliance with the now undisputed applicability to this category of Article 7 of the Workers' Statute (Constitutional Court 24.06.92 no. 309 – Cass SS. UU. 30.03.2007 no. 7880), it is considered reasonable and appropriate to extend the system provided for other employees, with the marginal adaptations determined by the peculiarity of the managerial relationship.
Thus, without prejudice to the possible experiment of a parallel action for damages, the sanctions applicable to managers may also be:

- verbal or written warning;
- the fine (precautionarily not exceeding 4 hours of pay)
- suspension from work and pay (precautionarily not exceeding 10 days);
- dismissal for shortcomings, with or without notice, depending on the seriousness of the manager's conduct.

For the purposes of the procedure for contesting and imposing the sanction, the guarantees referred to in Co 2 and 3 of Article 7 of the Workers' Statute must be applied, therefore the prior contestation of the charge as well as any hearing of the employee will be essential.

11.8 Measures and sanctions against members of the Board of Directors

The directors represent the top management of the Company and therefore reflect the image of the Company towards anyone who works and/or comes into contact with the company.
Therefore, if the violation is committed by a director of the Company, the Supervisory Body he must immediately notify the Board of Directors by means of a written report.

In this case, pursuant to Article 2392 of the Italian Civil Code, the Board of Directors assesses the violation and takes the most appropriate measure provided for by law, taking into account the seriousness, fault and damage caused to the Company.
However, the typical instrument of company law is integrated with certain disciplinary sanctions articulated and imposed on the basis of the seriousness of the violation.

- Formal reminder, in written form, that censures violations of the provisions of the Model;
- Revocation of powers of attorney;
- Forfeiture of the corporate office upon the occurrence of a cause that affects the requirements of integrity and professionalism;
- Disavowal of the quality of director even without revocation of the mandate;
- Suspension of the vesting of the right to exercise stock options;
- Blocking the exercise of the latter, even if they have already accrued;
- Suspension;
- Revocation.

11.9 Measures and sanctions against the members of the Supervisory Body

The measures to be taken against the members of the SB, in the event of conduct carried out in violation of the rules of the Model, company procedures, the Code of Ethics, as well as negligent conduct that has given rise to failure to control the implementation, compliance and updating of the Model itself, or even the measures to protect the confidentiality of whistleblowers in the management of whistleblowing channels, are the responsibility of the Board of Directors (after consulting the Board of Statutory Auditors, if and to the extent that it exists), which may take the appropriate measures, including revocation from office for just cause.

11.10 Measures and sanctions against the members of the Board of Statutory Auditors

The Statutory Auditors are not top management of the Company, but they nevertheless adhere to the principles of the Organisation, Management and Control Model and the Code of Ethics, in relation to the type of function they perform in the company.

In the event of violation of the rules of conduct of this Model by one or more Statutory Auditors, the Supervisory Body must immediately notify the Board of Directors and the Board of Statutory Auditors by means of a written report.

The latter may take, following the provisions of the Articles of Association, the appropriate measures including, for example, the convening of the Shareholders' Meeting, in order to adopt the most suitable measures provided for by law. In the most serious cases of violation, the Board of Directors convenes the Shareholders' Meeting, proposing the revocation of the office.

11.11 Measures and sanctions against Parties External to the Company

Relations with External Parties to the Company (collaborators, agents, representatives, consultants and in general all self-employed workers, as well as suppliers and business partners) are governed by appropriate written contracts that must include clauses for compliance with the fundamental principles of the Model and the Code of Ethics by these external parties.

In particular, failure to comply with the same must result in the termination of the same relationships by law, pursuant to Article 1456 of the Civil Code, or for just cause, as appropriate for the relationship in question, without prejudice to any claim for compensation if such conduct results in concrete damage to the Company.

Any failure to include such clauses must be communicated by the department in which the contract operates, with due reasons, to the Supervisory Body.

12 Communication and training

Communication within the Company and training relating to this Model are entrusted to the Board of Directors which, in coordination with the Company's Supervisory Body, ensures, through the means deemed most appropriate, its dissemination and effective knowledge to these recipients.

Any changes and/or updates to this document are communicated to all company personnel by publication on the company intranet and by means of a specific communication by the Company's top management.

New hires, on the other hand, are given an information set (e.g. Code of Ethics, CCNL, Organization, Management and Control Model, etc.), with which to ensure that they have the knowledge considered of primary importance.

Communication to the other Recipients of the Model, on the other hand, is carried out by the functions directly linked to the Recipients themselves. The SB determines the methods of implementation to the recipients of the Model outside the Company.

It is the Company's duty to implement and formalize specific training plans, with the aim of ensuring effective knowledge of the Decree, the Code of Ethics and the Model by all personnel of all company departments and functions. The provision of training must be differentiated according to whether it is aimed at Employees in general, Employees operating in specific risk areas, Directors, etc., on the basis of the analysis of their skills and training needs.

Staff training must be based on the following criteria:

- compulsory;
- diversification;
- reiteration.