



Organization, management and control model

Adopted pursuant to Legislative Decree n. 231/2001

General part

Courtesy translation

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AGC Biologics SpA, via Meucci 3, 20091 Bresso (MI), single shareholder company Share Capital €21,819,020.83 fully paid up - REA n.1506630 - n. registration in the Milan Company Register/Tax Code/VAT number 11887610159 Tel. +39 0221277.1 - Fax +39 02 21277.404, info.IT@agcbio.com, www.agcbio.com single member company subject to the management and coordination of AGC Inc., with registered office at 1-5-1, Marunouchi, Chiyoda-ku, Tokyo 100-8405 JAPAN, Share Capital yen 90,873,000



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Definitions

AGC Biologics or Company	AGC Biologics S.p.A., based in Bresso, via Meucci 3. single shareholder company, subject to the management and coordination of AGC inc.
Code of Conduct	code containing the ethical principles on which AGC Biologics inspires its action as well as the guidelines whose observance is required of all those who occasionally or permanently maintain working or commercial relationships with the company or, more generally, have an interest in towards the company.
Decree	Legislative Decree n. 231/2001.
Recipients	employees, collaborators, consultants, partners of the company.
Group	the companies of the AGC group.
Organizational Model or Model	this organisation, management and control model of the company established pursuant to the decree.
Supervisory Board	supervisory and control body established by the board of directors of AGC biologics with the task of supervising the functioning, effectiveness and observance of the model itself, as well as ensuring its updating.
Contact Person	person identified by the company's board of directors among the directors, to whom the tasks set out in the model are assigned.

Introduction: Legislative Decree n. 231/2001

The Decree, pursuant to art. 11 of law no. 300/2000, introduced the administrative responsibility of legal persons, companies and associations even without legal personality, outlining the general principles and attribution criteria.

The Legislator intended to adapt the internal legislation on the liability of legal persons to some international conventions including:

- the Brussels Convention of 07/26/95 on the protection of the financial interests of the European Community;
- the Convention of 05/26/97 on the fight against corruption of officials of the European Community or member states;
- the OECD Convention of 12/17/97 on the fight against corruption of foreign public officials in economic and international transactions.



The Legislator decided to introduce, for the first time, the liability of entities for criminally relevant facts, which is added to that of the natural person who materially committed the illicit act, and to involve the assets of the entities themselves in the punishment of such offenses and, therefore, the economic interests of the members.

The art. 5 of the Decree holds "the entity responsible for crimes committed in its interest or to its advantage:

- by people who hold representation, administrative or management functions of the entity or one of its organizational units with financial and functional autonomy, as well as by people who exercise, even de facto, the management and control of the same;
- by persons subject to the management or supervision of one of the above subjects.

The liability provided for by the Decree also arises in relation to crimes committed abroad, provided that the State in whose territory the crime was committed does not prosecute them.

If the underlying crime was committed by a person in a top position, as defined above, the company can be exempt from liability if it demonstrates that:

- the management body has adopted and effectively implemented, before the commission of the crime, organizational and management models pursuant to the Decree suitable for preventing crimes of the type committed,
- the company has established a body with autonomous control powers which is entrusted with: (i) supervision of the functioning of the model, (ii) control of its observance, (iii) updating of the same;
- the crime was committed by fraudulently evading the organizational model;
- there was no lack of supervision on the part of the Supervisory Board.

If the predicate crime was committed by a person subject to the management of another, the company's liability will be recognized when it is demonstrated that the commission of the crime was made possible by the fact that the people in top positions did not sufficiently observe the management obligations and vigilance.

In summary, the liability in question exists in those cases in which a company, in the face of a criminal offense committed (also) in its interest, actually shows a culpably negligent and careless business organization, such as to benefit from criminal conduct committed within its structure.

Therefore, the development and adoption by the Company of an organizational model responds to the need to prevent the commission of crimes and, in the event that this occurs, to avoid that such action can be traced back to an organizational fault, that is, to an underlying structural desire to take advantage of illicit behavior.

Among the crimes indicated by the Decree and subsequent legislative additions, however, only some can concretely concern the Company's activity: it is therefore with reference to these cases that the Model will have to compare its preventive effectiveness.

The crimes examined are listed in the Annex to this General Part (Annex 1, List of crimes, updated in October 2023).



1. *The Organizational Model of AGC Biologics: purpose and characteristic elements*

AGC Biologics is a company that deals with the research, development, production, industrialization and marketing of new therapeutic compounds on behalf of third parties. The activities include the development and validation of the production process and control strategy and the production of viral vectors and genetically modified cells for preclinical, clinical and commercial use.

The Company has its registered office in Bresso at OpenZone and an operational unit at the Department of Biotechnology (DIBIT) of the San Raffaele Hospital.

Pursuant to the company bylaws, AGC Biologics is managed by a board of directors composed of a minimum of 3 (three) to a maximum of 7 (seven) members, determined by resolution of the ordinary meeting when appointing the board of directors or modified with subsequent resolution.

The indication of the name of the members of the board of directors is that resulting from the chamber of commerce certificate filed with the Company Register of the Milan Chamber of Commerce.

The board of directors, as a collegial body, is equipped with all the broadest powers for the ordinary and extraordinary management of the company, in Italy and abroad, necessary and useful for the achievement of the corporate purpose, excluding only those reserved for the assembly of the members, by the statute and by law.

Activities not included among those that must be decided by the board of directors with a collegial resolution can be delegated to one or more managing directors.

Pursuant to the statute, the board of directors may also appoint attorneys for certain acts or categories of acts and a general manager. The list of appointed attorneys and the specifically conferred powers can be consulted in the chamber of commerce certificate filed with the Company Register of the Milan Chamber of Commerce.

Pursuant to the company bylaws, the function of controlling corporate management is entrusted to a board of auditors made up of 5 members, three of whom are effective and two alternates. The indication of the name of the members of the board of auditors is that resulting from the chamber of commerce certificate filed with the Company Register of the Milan Chamber of Commerce. All auditors must possess the requirements set out in the legal provisions. The board of auditors carries out the functions and has the powers assigned by law. The term of office of the board of auditors is three financial years and its appointment is reserved, pursuant to articles 2364 and 2400 of the code. civ., to the resolution of the shareholders' meeting.

Pursuant to the company statute, the function of statutory auditing of accounts is exercised, in accordance with the applicable provisions of law, by a statutory auditor or by a statutory auditing company, having the requirements established by current legislation. The person in charge of the statutory audit of the accounts has the functions and skills assigned by law. The term of office of the person in charge of the statutory audit of the accounts is three financial years and his appointment is reserved, pursuant to articles 2364 of the civil code. civ., to the resolution of the shareholders' meeting.



The indication of the name of the person in charge of the statutory audit of the Company is that resulting from the chamber of commerce certificate filed with the Company Register of the Milan Chamber of Commerce.

AGC Biologics, having taken note of the legislation in force regarding the administrative liability of entities deriving from crime and its scope, sharing the need for crime prevention expressed by the Legislator and being aware of both the fundamental importance of ethics, as a necessary element for every healthy company, both with the opportunity to be provided with an internal control system for the aforementioned prevention of the commission of crimes by its staff, directors and consultants and partners, has taken steps since 2007 to review and update the own organizational system, providing for the drafting and application of an organisation, management and control model pursuant to the Decree (the "**Organisational Model**" or "**Model**"). Furthermore, the board of directors of AGC Biologics has established a supervisory and control body with the task of supervising the functioning, effectiveness and observance of the Model itself, as well as ensuring its updating ("**Supervisory Board**").

In this regard, it is necessary to underline how the Company has equipped itself with a system of corporate procedures as a tool for correct corporate management. Within this system of procedures, and as its completion, the Model was considered, in particular, as an opportunity for systemic coordination between its various components, including the company procedures and protocols already present in the company or to be implemented following of the approval of this update of the Model.

The AGC Biologics Model was adopted in its first version on 28 September 2007 and subsequently updated several times to ensure its consistency with the legislative data and with the activities of AGC Biologics itself. This update, in addition to incorporating the organizational changes resulting from the delisting of the Company which took place on 30 September 2020 and the legislative interventions that have taken place in the meantime, recalls the company procedures issued for the management of critical areas.

The Model was prepared on the basis of the provisions of the Decree, the Confindustria Guidelines and the most relevant jurisprudential rulings expressed so far. The Model configures a structured and organic system of control procedures and activities - integrated with the internal control system implemented by the Company - aimed at preventing, as far as possible, the commission of conduct suitable for integrating the crimes referred to in the Decree.

The Model, in its preventive function, is aimed first and foremost at the so-called "top" individuals with representation, administration or management functions of the Company in its various aspects, as well as those who exercise, even de facto, the management and control of the Company or of organizational units of the Company itself. In the specific case, AGC Biologics is represented, administered and directed by a board of directors which, in addition to directly respecting and promptly observing the Model, ensures its compliance by those who are subject to its management or supervision.

The Organizational Model is directed and must be observed by all employees of the Company in its various roles and requires compliance with its general principles also from third party collaborators, partners and consultants (hereinafter, also the "**Recipients**").

In particular, the Model's Recipients are:



- the Board of Directors and all those who hold management and management functions in the Company or in one of its divisions and/or organizational units with financial and functional autonomy, as well as those who also de facto exercise the management and control of the Company;
- all those who have an employment relationship with the Company (employees);
- all those who collaborate with the Company under a para-subordinate employment relationship (e.g. apprentices, etc.);
- those who operate on behalf of or on behalf of the Company in the context of sensitive activities, such as consultants.

The subjects to whom the Model is addressed are required to promptly comply with all its provisions, also in fulfillment of the duties of loyalty, correctness and diligence that arise from the legal relationships established with the Company.

The Company believes, in fact, that the adoption of the Model constitutes, beyond the legal requirements and its potential exemptive effectiveness pursuant to the Decree, a valid tool to raise the awareness of the Recipients on their potential illicit behavior, to prevent crimes through the precise indication of specific conduct and a suitable control system as well as to react promptly if the same have nevertheless been committed.

2. Code of Conduct

In consideration of the Company's entry into the Group, as well as the delicacy and social relevance of the activities carried out and the services offered, the Company felt the need to adopt, in addition to the Model, the Group's Code of Conduct in which the values and ethical principles on which the Company inspires its action. This Code of Conduct is based on the healthy, transparent and correct management of the activities of the Company and the Group.

In order to guarantee the transparency, correctness, integrity and professionalism of the work and the quality of the services offered by the Company, the Code of Conduct indicates a series of principles and guidelines whose observance is required of all those who have occasional or permanent relationships of a work or commercial nature with the Company or, more generally, are bearers of an interest in the Company.

All those who work and operate in and for the Company are required to observe and enforce the Code of Conduct within the scope of their functions and responsibilities. This obligation constitutes an essential element of work performance. Compliance by managers, employees, collaborators in any capacity, administrators, auditors of the Company and the person in charge of the statutory audit of the accounts, within the scope of their functions and responsibilities, of the behavioral standards contained in the Code of Conduct and of the specific procedures envisaged in the Model, is in fact of fundamental importance, both for the good functioning and reliability of the Company, and for the protection of its prestige, image and know-how; all factors that constitute a decisive asset for the success of the company. To this end, the Company ensures full knowledge and understanding of the Code of Conduct by all Recipients through the adoption of continuous training and awareness-raising procedures on its contents.



3. *Criteria and activities for updating the Model*

The Model has been constantly and progressively updated - since its first adoption - both with reference to the organizational and structural changes that have occurred and with reference to the interventions of the Legislator in expanding the catalog of so-called crimes assumption

The Organizational Model was drawn up according to the following principles:

- document simplification. It was decided to maintain a simplification approach in relation to the Organizational Model, preferring to prepare a more streamlined and more easily consultable text and to refer further analyzes to specific annexes, also intervening intensely directly on the reference procedures. In this last regard, it is highlighted that the Company has taken steps to integrate the operating procedures previously transcribed in the Model within the company policies, so as to guarantee greater homogeneity and adherence to the daily activities carried out by the Recipients;
- the analysis by processes and functions rather than by crimes. The risk mapping activity focused in particular on the analysis of the company's typical areas of action in its normal flow and on the examination of all those additional business support activities. The output of this activity was reflected in the Special Part of the Model through the creation of attachments not divided by crimes, as for the previous version, but by company functions (and, essentially, by processes), so as to allow, on the one hand, clear and direct information on sensitive areas and immediate traceability to the company functions involved as well as, on the other hand, to facilitate (i) the construction of information flows and (ii) the verification activities of the Supervisory Board, consistently with the basic analysis carried out for the construction of the Model.

First of all, we proceeded to analyze the corporate governance system, the organizational structure and the internal control system adopted by the Company. Subsequently, the practical-operational development of AGC Biologics' activity was reconstructed through ad hoc interviews with the Company's key managers, aimed at providing an effective and complete picture of the social activity and its articulations, also taking into consideration the culture, the ethical environment of AGC Biologics and any precedents thereof as well as the aspects characterizing each management and operational process. On the CDs interviews were followed by an in-depth documentary analysis of all the main documents that substantiate the internal control system and the entire procedural apparatus. Through this process not only were the so-called areas sensitive to the potential and abstract risk of committing crimes but an analysis has been started - although limited by the transition phase which sees many internal procedures subjected to review and therefore not yet "stabilised" - of the existing safeguards and therefore of the so-called residual risk.

The "mapping of risk areas" was therefore based on the following aspects:

- identification of the activity being verified;
- identification of the company function "owner" of the process, i.e. under whose responsibility the activity is conducted;
- identification of any "cooperating" company functions, i.e. those functions that participate in the company activity in question;
- identification of the type of crimes to be prevented;
- foreseeing the ways in which such crimes could be committed;



- analysis of the tools already existing in the Company to protect against the risk of crimes being committed;
- evidence of the measures deemed necessary for the best implementation of the crime prevention system.

Thanks to this specificity it will be possible to constantly adapt the Model - characterized, therefore, by a dynamic character - to the social and corporate context, with a view to preventing the risk of committing crimes.

4. *Sensitive company areas and activities*

By comparing the outcome of the analysis activity described above with the reference context in which the Company operates and the potential areas for improvement of the corporate prevention system, various activities were identified that were deemed sensitive to the risk of the commission of crimes of the kind that the Model intends to prevent. These sensitive areas are listed and analyzed in detail, divided by function, in the Special Part of this Model and in particular in its annexes.

5. *The AGC Biologics 231 system and the structure of the Model*

The Company's 231 system (to be understood as that set of documents, procedures and people with roles assigned by the Model), in light of the legal requirements and in consideration of its function, is structured into the following constituent elements:

- Supervisory Board with supervisory and control functions relating to compliance with the principles contained in the Model and, more generally, to verify the functioning as well as the need/opportunity to update the Model itself;
- internal control system and company procedures;
- provision of sanctions in case of non-compliance with the Model.

In detail, the AGC Biologics Organizational Model is divided as follows, regarding the documentary part:

General part: document illustrating the fundamental elements of the discipline, the preparatory work and the criteria used in drafting the Model, the structure of the Model and its main elements, such as, among the text and annexes, the Supervisory Board and the disciplinary system;

Special part: document illustrating the company structure and activity, the relevant crimes for the purposes of the Decree, the general principles of conduct as well as the processes most sensitive to the commission of the predicate crimes referred to in the Decree, with an indication of the methods of control and prevention.

6. *The Supervisory Board*

The Supervisory Board is the body which, as indicated by the Decree, has the task of supervising the functioning, effectiveness and observance of the Model and of ensuring its updating, in particular if changes occur in the organization and company activity.



The establishment, appointment, duration of office, revocation and compensation of the Supervisory Board are decided by the board of directors, after hearing the opinion of the board of auditors.

The criteria for the appointment of the Supervisory Board and for its termination, as well as its tasks and functions, are defined in the attached document (Annex 2, the Supervisory Board).

In particular, please refer to the attachment for the precise and analytical description of the information flows which the Supervisory Board must be the recipient of - as explicitly prescribed by the same Decree - from the company functions,

7. *The sanctioning system*

In accordance with the provisions of the Decree, the sanctioning system has the task of guaranteeing compliance with the Model and company procedures.

The violation of the obligations defined in the Model by the Recipients, even if justified with the pursuit of an alleged corporate interest, constitutes a contractual breach and a disciplinary offense. In fact, as mentioned, the Company does not intend to pursue any advantage deriving from an illicit act and, in the event that a crime is committed, it now expresses its desire to return said advantage.

The sanctioning system provides specific sanctions and the methods for their imposition in the event of violation or non-compliance with obligations, duties and/or procedures envisaged by the Model (Annex 3. sanctioning system).

Where the commission of the crime by one of the Recipients of the Model is proven, the Company hereby reserves all rights to compensation for any damage thus caused.

8. *Adaptation and updating of the Model*

The Model is an "act issued by the management body" (in compliance with the provisions of art. 6, paragraph I, letter a of the Decree). Its approval, subsequent modifications and additions, with the exceptions specified below, are the responsibility of the board of directors, also making use of the experience and indications of the Supervisory Board.

In fact, with the adoption of the Model, the Company undertakes to adapt and integrate the same both on the basis of any regulatory changes and on the basis of the changes concerning the Company in its various articulations and in any case on the basis of application experiences, in a dynamic perspective and constant updating of the Model. The Supervisory Board can always formulate its observations or suggestions regarding such changes.

Any merely formal changes which do not affect the structure and maintenance of the Model may be adopted by the managing director identified for this purpose as the Contact Person. Such changes must be acknowledged by reporting to the board of directors according to the normal methods identified by the Company.

As underlined, the Company is particularly attentive to the dynamic aspect of the Model and its constant adherence to the regulatory and corporate reality and, in this sense, intends to subject the Model in its entirety to verification at least annually (and in any case whenever deemed necessary), possibly with the involvement of consultants, in order to evaluate its suitability and the opportunity of its implementation/revision.



Any changes that will affect the Model or part of it and/or the Annexes to the Model will be made known to all Recipients under the supervision of the Supervisory Board.

9. Information and training of staff

For the purposes of the effectiveness of the Model, it is the objective of AGC Biologics to ensure both the resources already present in various capacities in the company and those who will be included in it, a correct knowledge of the Model itself, as well as of the rules of conduct contained therein, with different degrees in-depth analysis in relation to their different level of involvement in the sensitive processes identified.

Training and information for staff, according to the methods and times defined in agreement with the Supervisory Board, are managed by the competent human resources function.

The training and information activity concerns all staff, including management staff, and provides - in addition to specific information at the time of adoption of this Model, or at the time of hiring - the carrying out of further training activities for all staff and, in particular, for those in risk areas.

Communication

The adoption of the Model, the tasks of the Supervisory Board and its powers are communicated to all employees, collaborators and corporate bodies, as well as to all new hires, through the alternative delivery of a copy of the Model, sending it by e-mail to the address of each Recipient or the indication of the intranet address from which to view this document in its latest available version.

A copy of the Model can also be consulted at any time in the corporate secretariat and human resources office of AGC Biologics.

Training

The training activity aimed at disseminating knowledge of the legislation referred to in the Decree is differentiated, in content and methods of implementation, depending on the qualification of the Recipients, the level of risk recognized in the area in which they operate, the performance by part of the subjects of representation functions of the Company and the attribution of any powers.

Specific training is carried out for staff in the most sensitive areas (administrators with operational functions, general management, manager in charge of drafting corporate accounting documents, RSPP, company safety delegate, health and administrative managers, managers of individual company structures) - through mandatory training courses - aimed at: (i) illustrating risk mapping; (ii) define the specific critical issues of each area; (iii) illustrate the procedures adopted to prevent irregularities.

The mandatory information and training system is supervised and integrated by the activity carried out in this field by the Supervisory Board, in collaboration with the manager of the human resources function and with the managers of the other functions involved from time to time in the application of the Model.



Information for collaborators and partners

AGC Biologics promotes and implements knowledge and compliance with the Model also among commercial and financial partners, consultants, collaborators in various capacities, customers and suppliers, so as to raise the level of effectiveness of the Model itself.

For the purposes of complete information, the Company will be responsible for evaluating the most appropriate methods of advertising the Model. In this sense, they will be informed of the methods for obtaining the extract of the Model by consulting the website www.agcbio.com.

The contracts stipulated and/or renewed after the adoption of this Model must include clauses that require the aforementioned subjects to comply with the Model and the Code of Conduct and which establish termination conditions and/or application of penalty clauses and/or compensation for damages in case of violation of the Model or the rules referred to in the Decree or the Code of Conduct.

10. Reports intragroup

The Company, as part of the Group, also regulates its relationships with other companies of the Group (parent and associated companies) in compliance with the principles of the Model and in particular the general principles of the Special Part.

Relationships with other Group companies are managed exclusively by corporate entities with suitable and specific powers of representation or by individuals specifically and formally delegated by them.

All intragroup relationships must be verifiable through contractual documentation and/or purchase orders that are complete and suitable for clearly defining every obligation/right of both parties.

A timely verification must be carried out regarding the effectiveness and congruity of the services in relation to transactions between Group companies which involve the purchase or sale of goods and services and, more generally, payment of compensation in relation to activities carried out in the context of the relationships intragroup: in particular, operations must always take place according to criteria of substantial correctness and must be previously regulated on the basis of contracts stipulated in written form, which must be retained and preserved in the records of each of the contracting companies. These conditions must be regulated at market conditions, or equivalent, on the basis of assessments of mutual economic convenience, also having regard to the common objective of creating value for all the companies forming part of the Group.

Attachments to the General Part of the Organizational Model of AGC Biologics

- 1 List of crimes provided for by the Decree [omissis]
- 2 Supervisory Board
- 3 Sanctioning system



List of crimes

Annex 2 – General part

[omissis]

courtesy translation



Supervisory Board

Annex 2 – General part

1. Composition, appointment, duration and requirements

The Supervisory Board, appointed pursuant to the Decree, can have a multi-member or monocratic composition, with the involvement of both external and internal subjects. The Company currently has a collegial Supervisory Board.

The establishment, appointment, duration of office, revocation and possible compensation of the Supervisory Board are decided by the board of directors, after hearing the opinion of the board of auditors.

The Supervisory Board remains in office for three financial years and expires on the date of the board of directors called to approve the draft budget for the last financial year. The member of the Supervisory Board is re-electable.

The Supervisory Board is chosen based on the requirements of authority, professionalism, independence and honorability outlined in jurisprudence and in the main category guidelines, in order to fulfill the provisions dictated by the Decree.

Particular attention is given to the professional background of each candidate, with regard to knowledge of the contents of the Decree and any past experience on the subject. The professionalism and authority of the Supervisory Board are in fact closely linked to its professional experience. From this it follows that the Supervisory Board, also for the function performed, is in possession of suitable technical knowledge to be able to continuously carry out the supervision, control and updating activities envisaged by the Decree.

Specific care was also dedicated to defining the powers of the Supervisory Board and its relative position in the company organization chart in order to ensure its autonomy and independence. To this end, the Supervisory Board is directly appointed by the board of directors of the Company, to which it is required to report and which is the only body, having heard the opinion of the board of statutory auditors, with the power to remove him from his position or replace him in the event of serious violation of the obligations imposed on the Supervisory Board by the regulations and/or the Model.

The board of directors decides, upon indication of the Supervisory Board, a spending budget that the Supervisory Board can use for the management of its office.

The following will constitute grounds for ineligibility for office or forfeiture if the circumstance occurred subsequently:

- family relationships within the fourth degree with members of the board of directors, with people who hold representation, administration or management functions of the Company, including specifically members of the management as well as people who carry out, even de facto, management and control functions within the Company, auditors of the Company and the person in charge of the statutory audit of the accounts;
- conflicts of interest, even potential, with the Company such as to compromise its independence;



- direct or indirect ownership of shareholdings in the Company or parent and/or controlled companies;
- functions of director or auditor with powers held, in the three financial years preceding the appointment, in companies subjected to bankruptcy, forced administrative liquidation or equivalent procedures;
- public employment relationship with central or local administrations in the three years preceding the appointment;
- sentence, even if not final, or application of the sentence upon request (plea bargaining), for violations relevant to the liability referred to in the Decree;
- sentence even if not final, or plea bargaining sentence resulting in disqualification, even temporary, from public offices, or temporary disqualification from holding management offices of legal entities and companies.

Upon appointment, each candidate for the Supervisory Board position will deliver, in addition to their curriculum vitae, a declaration certifying their compatibility with the role, their independence and autonomy, their possession of skills in inspection and consultancy activities or their knowledge of specific techniques, suitable to guarantee the effectiveness of the control powers and the propositional power delegated to the Supervisory Board itself. The curriculum and certificate will be delivered to the board of directors which will be convened to appoint the Supervisory Board itself, after hearing the opinion of the board of auditors.

The Supervisory Board will be required to inform, without delay, the board of directors and on its behalf its president as well as the President of the board of statutory auditors of any event that implies the loss - even temporary - of the prescribed requirements of compatibility, independence and autonomy for the measures deemed appropriate.

The Board of Directors of the Company is also competent to decide on the revocation of members of the Supervisory Board:

- if there is a supervening and absolute inability, incompatibility or negligence in carrying out the task, or
- in the event of serious violations of the obligations placed upon him by the legislation and the Model such as, by way of example, the omitted or insufficient supervision by the member of the Supervisory Board resulting from a conviction even if not finalized pursuant to the Decree or sentence applying the penalty upon request (plea bargaining) issued against the Company or other companies in which that member of the Supervisory Board has carried out supervisory activities.

The revocation resolution is brought to the attention of and subjected to the prior approval of the board of auditors.

The Supervisory Board is bound to the strictest confidentiality and professional secrecy regarding the information it becomes aware of in carrying out its duties and acts with the maximum degree of diligence to avoid any leakage of news or confidential information to the outside world.

The Supervisory Board can be contacted at:

- e-mail: odv@agcbio.com;
- reporting portal present on the Company intranet.



The Supervisory Board carries out the activities necessary for the supervision of the Organizational Model with adequate commitment and with the necessary investigative powers; it is a structure referable to the Company, in order to guarantee the necessary continuity in the supervisory activity and will be able to use the Company's resources to carry out its tasks, requesting the collaboration of any company function that is deemed useful; the Supervisory Board does not carry out operational tasks that could condition and/or compromise its independence and overall vision of the company activity required of it. The Supervisory Board may also make use of external consultants or in any case third parties where deemed necessary for the performance of its tasks, where it does not have the necessary specific expertise internally. To this end, the subjects in question must be chosen in accordance with the Company's supplier selection procedures and their names and compensation communicated to the board of directors. Since the functions of the Supervisory Board presuppose the possibility of becoming aware of confidential information both of the Company and of its staff, the board of directors has the right to prohibit the collaboration of the aforementioned subjects, making them available to the Supervisory Board if necessary. adequate internal resources.

The Company does not intend to approve here a statute or regulation of the Supervisory Board, leaving the widest faculty to the Board itself, within the scope of its own functional autonomy, to organize its activities in the manner deemed most appropriate. The Supervisory Board will send a copy of this statute or regulation to the board of directors for information.

2. Functions of the Supervisory Board

In compliance with the provisions of the Decree, the Supervisory Board is assigned the following tasks:

- verification of compliance with the Model by the Recipients;
- collection, examination and conservation of information and reports sent by the Recipients;
- detection of any behavioral deviations of the Recipients with respect to the provisions of the Model that may emerge from the analysis of the information flows and the reports received;
- proposal to impose sanctions according to the criteria, methods and limits defined in the Model;
- carrying out a periodic update of the identification, mapping and classification system of Sensitive Areas and Activities;
- formulation of proposals to update the structure and contents of the Model, and to integrate the catalog of sensitive areas and activities;
- drafting of periodic information reports to be communicated to the board of directors and/or the board of auditors of the Company regarding the efficacy and effectiveness of the Model and the possible opportunity for its modifications and improvements;
- suggestions regarding the direct updating of company procedures relevant to the Model and the issuing of operational directives for the execution and application of the same;
- promotion and definition of initiatives for the dissemination of knowledge and understanding of the Organizational Model and the awareness of the Recipients regarding the problems inherent to the administrative responsibility of the entities;
- participation in the continuous training of the Recipients regarding the obligations and obligations arising from the provisions contained in the Model and in the Decree and subsequent amendments, as well as regarding the impacts of the regulatory changes on the company's activity;



- exchange of information and data with the board of auditors and/or the person in charge of the statutory audit of the accounts;
- exhaustive and timely information in the event of inspections, investigations or requests for information by public officials, police forces, supervisory, judicial or tax authorities.

More generally, the Supervisory Board is responsible for all activities connected or relating to the supervision of the constant effectiveness and efficiency of the Model and control of the factors that could be prodromal to the occurrence of a possible crime.

The Supervisory Board, in this perspective, and in compliance with the aforementioned functions, remains available to each Recipient to provide clarifications or explanations regarding possible regulatory, interpretative or application doubts regarding the Decree and the Model, the corporate policies and procedures relevant to the Model or situations connected to the performance of sensitive activities or, in any case, connected to the Model itself.

3. Powers and faculties of the Supervisory Board

For the purposes of carrying out the functions described above, the Supervisory Board has autonomous powers of initiative and control of the administrative and management activity of the Company, having to report - in relation to the conduct and outcome of the checks - directly and collectively to the administrative bodies and control of the Company.

For these reasons, the members of the Supervisory Board are not subject, in this capacity and within the scope of carrying out their function, to the hierarchical and disciplinary power of any corporate body or function.

In particular, the Supervisory Board has the following powers, the list of which is to be considered illustrative and not exhaustive:

- as part of the control and inspection activity:
 - ✓ proceed at any time, within its autonomy and discretion, to control and verify the effectiveness and application of the Model;
 - ✓ proceed following anonymous reports or following measures, even temporary, by the competent authority, within the scope of its autonomy and discretion, to carry out control and verification actions regarding the activity of the Recipients subject to the report or measure, within the scope of current legislation and guaranteeing in any case compliance with the adversarial principle and the protection of confidentiality;
 - ✓ provide for routine checks and extraordinary or surprise checks; control activities must be intensified in particular cases, such as the detection of serious violations or crimes and staff turnover;
 - ✓ request to consult the documentation relating to the activity carried out by the individual functions and by the managers of the sensitive areas and activities, also extracting copies, as well as carrying out interviews and requesting, if necessary, written reports;
 - ✓ report any violations of the Model or failure to comply with the conduct obligations set out in the Decree to the competent bodies for the imposition of sanctions;
 - ✓ report to the board of directors any obstacles that may arise in the exercise of its activity;



- ✓ regulate from an operational point of view the methods and timing of fulfillment of the obligations deriving from company policies and procedures relevant to the Model and, in particular, in agreement with the board of directors or with the Model Contact Person:
 - suggest the issuing of service communications;
 - regulate the flow of information, establish the method and timing of its transmission;
 - participate in the planning of meetings for the training of Company personnel and for individual Recipients and/or new hires;
- ✓ suggest the drafting and/or modification of reporting forms prepared by the Company for communications to the Supervisory Board;
- ✓ prepare the supervisory plan on an annual basis on the issues referred to in this Model.
- as part of verifying the effectiveness and formulating proposals for adapting the Model:
 - ✓ in coordination with the managers of sensitive areas and activities, periodically verify the suitability of the Model to prevent the commission of crimes;
 - ✓ verify the level of knowledge of the Model by the Staff through (i) periodic checks on individual documents (sample checks of corporate documents and contracts relating to Sensitive Areas and Activities) and (ii) periodic checks on policies and procedures (verification of effectiveness of the company procedures relevant to the Model);
 - ✓ analyze the requests and reports received by the Supervisory Board;
 - ✓ in light of the regulatory changes that have occurred from time to time, as well as following the checks carried out and the verification of the existence of new processes at risk, propose the appropriate adjustments and updates to the Model to the competent bodies;
 - ✓ participate in: (a) meetings with employees of the areas responsible for administration and management; (b) meetings of the board of auditors and/or with the statutory auditor;
 - ✓ have company funds for the best performance of the task through a specific request to the board of directors, a request that cannot be unjustifiably refused.

In carrying out its activities, the Supervisory Board may make use of, where it deems it appropriate, (i) external consultants within the limits of the assigned budget, (ii) the staff of the individual company functions, based on their respective skills and professionalism. In this last case, the Supervisory Board will communicate in writing the names of the personnel it intends to use to the managers of the offices and/or departments concerned or, for top management, to the board of directors of the Company, so that awareness and adequate collaboration of all interested parties. If the Supervisory Board deems it necessary to exceed the spending budget assigned by the board of directors to carry out its duties, it will have to make a request to the administrative body. The Supervisory Board will keep the documentation relating to its activity (files, reports, reports, audits, etc.) in a specific paper or computer archive (Supervisory Board Data Base) whose management methods are the responsibility of the Supervisory Board itself. The retention period is 10 (ten) years.

Only the members of the Supervisory Board and the subjects delegated by them can access the Supervisory Board Data Base. Any further documentation may be produced, including through extracts or reports, to the members of the board of directors, the members of the board of auditors and the person in charge of the statutory audit of the accounts.



4. *Supervisory Board reporting*

The Supervisory Board has the obligation to report on the implementation of the Model and the emergence of any critical issues.

The following Supervisory Board reporting lines are envisaged:

- on a periodic basis at least every six months, towards the board of directors and the board of statutory auditors in relation to the control activity carried out;
- on a periodic basis at least annually, towards the board of directors and the board of statutory auditors regarding the supervisory plan;
- instant, where facts of particular relevance are ascertained towards the Model Contact Person and/or the administrative body and in any case towards the board of auditors.
- This reporting activity concerns:
 - the activity carried out by the Supervisory Board office;
 - the reports received;
 - events considered to be of particular importance;
 - any other data, act or fact that the Supervisory Board deems appropriate to communicate to one of the recipients.

The Supervisory Board will then report to the Model Contact Person on a periodic basis at least every six months, the operational indications regarding the best management of the Model and the necessary coordination regarding the implementation of the Supervisory Plan.

5. *Information flows*

5.1 Reporting from the Supervisory Board to top management

The Supervisory Board carries out a constant reporting activity towards the top management and, in particular, reports in writing, at least every six months, to the board of directors on the activity carried out.

The six-monthly report from the Supervisory Board to the board of directors must contain any information deemed useful in relation to the tasks assigned to the Supervisory Board itself and will in any case necessarily have the following topics as its subject:

- the activity carried out (indicating, in particular, the controls and checks carried out and their outcome, as well as any updating of the mapping of the areas at risk);
- the critical issues that have emerged (including the verification of behavior not in line with the Model, organizational and procedural deficiencies that expose the risk of committing significant crimes, any lack or lack of collaboration on the part of company resources);
- the corrective interventions to be made for the implementation and effectiveness of the Model (including the state of implementation of interventions already approved or planned).

In any case, the Supervisory Board must contact the board of directors or other corporate bodies whenever it deems it appropriate for the effective fulfillment of its functions. The Supervisory Board has the right to request to meet the corporate bodies, setting these meetings to coincide with its



own meetings. minutes will be drawn up of the meetings and a copy of the minutes will be kept by the Supervisory Board.

The Supervisory Board may, in turn, be convened at any time by the board of directors and other corporate bodies to report on particular events or situations relating to the functioning and compliance with the Model.

The Supervisory Board will coordinate with the company functions responsible for the various specific profiles.

5.2 Information flows towards the Supervisory Board

The art. 6, paragraph 2, letter. d) of the Decree provides that the Model must provide for "information obligations towards the Supervisory Board" so that it can correctly carry out its function.

The Supervisory Board, therefore, must be promptly informed by all Recipients - members, directors, employees, consultants and collaborators, partners - of any news relating to the commission, or potential commission, of predicate crimes referred to in the Decree, or the existence of possible violations of the Model, as well as any significant fact or act that concerns the activity of AGC Biologics and that may be relevant to the effects of the functions carried out by the Supervisory Board.

In particular, the following must be promptly disclosed to the Supervisory Board:

- through semi-annual "negative information" by the managers of the various company areas, indicating, to the best of their knowledge, that no potential crimes have been committed in their area by employees and collaborators;
- any orders received from hierarchically superior subjects and deemed to be in conflict with the law, the Decree or the Model;
- any requests or offers of money, gifts or other benefits, in particular coming from or intended for public officials, those in charge of a public service, or in any case subjects belonging to, connected to or delegated by the PA;
- any omissions, negligence or falsification in the keeping of accounts or in the conservation of documentation relating to accounting records;
- decisions and procedures relating to the request, disbursement and use of public contributions and financing or other disbursements coming from the State or other public or community bodies;
- the Company's participation in tenders, competitions, public or private contracts, or news of notices, auctions, tenders and competitions announced by the Company;
- requests for legal assistance forwarded to the Company by managers, employees or other persons entitled to it, against whom the judiciary has initiated proceedings for the crimes envisaged by the Decree;
- the provisions and/or information coming from judicial police bodies, or from any other authority, from which it is clear that investigations have been carried out which concern, even indirectly, the Company, its personnel or its bodies, for the crimes referred to in the Decree;
- immediate information of every tax assessment by the Ministry of Labour, social security institutions, the Antitrust and any other Supervisory Authority, by the person responsible for the area subject to the relevant assessment;



- through negative information, information relating to compliance, at all company levels, with the Model, with evidence of the disciplinary proceedings initiated and any sanctions imposed or dismissal measures, with the related reasons;
- the reports prepared by the managers of other company functions as part of their control activity and from which facts, acts, events or omissions relevant to compliance with the provisions of the Decree may emerge;
- any reports concerning deficiencies or inadequacies of work places or equipment or of protective devices adopted by company structures, or any other risk situation connected to health and safety at work;
- the results of the monitoring and control already carried out, in the reference period, on contracts acquired from public bodies or entities carrying out public utility functions;
- news relating to organizational changes or changes to current company procedures and protocols;
- updates to the Company's system of powers and delegations;
- periodic reporting on health and safety at work and regarding all data relating to accidents at work which have occurred, transmitting a copy of the minutes of the meeting referred to in the art. 35 of the Legislative Decree. 81/2008;
- the annual financial statements of the Company;
- communication and documentary information regarding extraordinary corporate operations;
- timely communication of the issue of new shares and financial instruments.

Periodically the Supervisory Board will propose, if necessary, any additions and/or modifications to the above list.

Failure to comply with the aforementioned obligations will result in violation of the Model and the related application of the sanctions provided for by the sanctioning system.

6. Management of information flows towards the Supervisory Board

Any useful information or report, even of an unofficial nature, must be channeled to the Supervisory Board which must ensure its conservation, guaranteeing, where appropriate, the confidentiality due to the whistleblowers, without prejudice to legal obligations and the protection of the rights of the Company or individuals involved erroneously or in bad faith.

For these purposes, a "Portal for reporting to the Supervisory Board" has been established, accessible from the company intranet reserved for consultation by the Supervisory Board, consisting in the sending of confidential correspondence to the email address odv@agcbio.com by anyone wishes to proceed with the report; this method of transmitting information is intended to guarantee confidentiality for the subjects who report the message, also in order to avoid retaliatory attitudes towards them.

In addition to the "Portal for reporting to the Supervisory Board", the Company may establish a physical email address or one or more post office boxes at company facilities, which can be used by AGC Biologics staff for reporting.

Unfounded information, both in terms of content and form, determined by a slanderous intent, is prohibited. Those responsible for such unfounded information will be sanctioned by the Company in accordance with the provisions of the chapter dedicated to the disciplinary system.



If the report is received in anonymous written form, the Supervisory Board will evaluate the opportunity to proceed with investigations, provided that the report contains sufficiently specific references.

The Supervisory Board, having evaluated the reports received, will proceed with any inspection activities to be carried out, using internal resources or, if necessary, making use of external professionals; any consequent measures will be applied in accordance with the provisions of the sanctioning system.

In addition to the documentation required in the individual parts of the Model, the corporate functions concerned must make available to the Supervisory Board all information, including information coming from third parties and relating to the implementation of the Model itself.

7. Reports and complaints to the Supervisory Board and reporting elements

The Supervisory Board must be informed of events that could give rise to liability for the Company pursuant to the Model. To this end:

- each Recipient is required to inform the Supervisory Board regarding conduct not in line with the provisions of the Decree or the Model;
- each Recipient is required to inform the Supervisory Board regarding the Company's activities having an impact pursuant to the Model which have not received adequate regulation by the Model;
- each Recipient is required to inform the Supervisory Board regarding any inefficiencies of the Model or its parts in carrying out the pre-established task;
- through negative information and upon request of the Supervisory Board, each member of the management is required to inform the Supervisory Board itself regarding the implementation of the regulations in the company and the dissemination and application of the Model, with particular reference to the dissemination and application of the principles and procedures referred to in the Model itself, the training activity dedicated to the Model, as well as the sensitive activities carried out in the reference period which may have relevance pursuant to the Decree.
- Reporters in good faith are guaranteed against any form of retaliation, discrimination and penalization and in any case confidentiality will be ensured regarding the identity of the reporter, without prejudice to legal obligations and the protection of the rights of the Company or of persons accused erroneously or badly.

Communications to the Supervisory Board can be sent to the addresses referred to in paragraph 1 above.

The Supervisory Board agrees with the managers of the company functions on adequate periodic information flows in order to keep the Supervisory Board informed regarding the general performance of the function itself and of the Company.

8. The whistleblowing system

In March 2023, the European directive on whistleblowing was transposed into Italian law with the approval of Legislative Decree 24/2023 which intervenes - in general terms - on the provisions of Law 30 November 2017, n. 179 containing «Provisions for the protection of the authors of reports



of crimes or irregularities of which they have become aware in the context of a public or private employment relationship», already amending Legislative Decree. Legislative Decree 231/01. An institution of more general scope than in the past has been outlined - with reference at least to the potential contents of the reports - but which maintains, on a functional and organizational level, a close interdependence with the 231 system.

In this sense, the Company has implemented - as required by law - a new, specific internal procedure.

courtesy translation



Sanctioning system

Annex 3 – General part

1. The function and principles of the sanctioning system

For the purposes of the effectiveness of the Model and in compliance with the regulatory data, the sanctioning system has the function of ensuring compliance with the Model, the procedures and the principles of conduct.

In other words, the provision of an adequate system that is suitable for sanctioning violations of the provisions and organizational procedures referred to in the Model represents a qualifying element of the same and an essential condition for its concrete operation, application and compliance by all Recipients.

In this regard, it is appropriate to underline how the application of the sanctions provided for is independent of the actual commission of a crime and the possible establishment of criminal proceedings: the purpose of the sanctions provided for herein is in fact to repress any violation of the provisions of the Model and its elements dictated for the purpose of preventing criminal offences, promoting among company personnel and all those who collaborate with the Company the awareness of the latter's firm will to prosecute any violation of the rules established to safeguard the correct performance of duties and/or assigned tasks.

The violation of the obligations contained in this Model, even if aimed at pursuing an alleged corporate interest, constitutes a contractual breach and a disciplinary offense. In fact, the Company does not intend to pursue any advantage deriving from an illicit act and therefore in the event that a crime has been committed, the Company from now on expresses its desire to return said advantage.

The fundamental requirement of sanctions is their proportionality with respect to the violation detected, proportionality which must be assessed based on the following criteria:

- severity of the violation;
- type of relationship established with the recipient of the sanction (subordinate, para-subordinate, managerial, etc.) taking into account the specific and main regulatory and contractual provisions;
- possible recurrence.

Where the commission of the crime by one of the Recipients is proven, the Company hereby reserves all rights to compensation for any damage caused to the Company.



2. The reference legislation

Below we refer to the reference legislation and internal provisions which constitute the disciplinary rules to which this sanctioning system refers and which represent case studies by way of example and not exhaustively.

The Workers' Statute

In the corporate context, the provisions of the art. apply. 7 of Law no. 300/1970 "Workers' Statute" and subsequent amendments and additions as compatible. In particular, art. 7 "Disciplinary sanctions".

The Civil Code

This sanctioning system assumes and makes its own the private law provisions of the Civil Code regarding diligence of the employee, obligation of loyalty, management of the company and disciplinary sanctions, and in particular the following articles:

- Art. 2104 "Diligence of the worker";
- Art. 2105 "Obligations of loyalty";
- Art. 2106 "Disciplinary sanctions";
- Articles 2392 et seq. "Responsibility towards society"

The D. Legislative Decree 81/2008

This sanctioning system takes on and makes its own the provisions of the Legislative Decree. Legislative Decree n. 81/2008 and in particular the provisions of the following articles:

- Art 18 "Obligations of the employer and manager";
- Art. 19 "Obligations of the person in charge";
- Art. 20 "Workers' obligations".

The Legislative Decree 231/2001

This sanctioning system assumes and makes its own the provisions of the Decree and in particular of the Model approved by the Company, of which this document is an integral and substantial part, including all procedures, corporate institutions, communications, provisions and service orders for the parts in which correct behavior aimed at preventing or avoiding the occurrence of the crimes contemplated in the Decree itself is regulated.

The relevant National Collective Labor Agreement

This sanctioning system assumes and makes its own the provisions contained in the National Collective Labor Agreement applied in AGC Biologics.



3. Violations

The sanctioning system is applied following the following violations:

- failure to comply with the provisions of the Model, the Code of Ethics and the company procedures to which the Model refers, in particular including the provisions contained in the risk assessment document and related annexes for the protection of health and safety in the workplace;
- failure to comply with and/or violation of the provisions relating to signing powers and, in general, to the delegation system;
- lack of or untruthful evidence of the activity carried out in relation to the methods of documentation, conservation and control of sensitive areas and activities (as identified in the Special Part of the Model);
- violation and/or circumvention of the control system put in place through the subtraction, destruction or alteration of the documentation required by the procedures in force or impediment to the persons in charge and the Supervisory Board from controlling and/or accessing the requested information and documentation;
- failure by hierarchical superiors to supervise their subordinates regarding the correct and effective application of the provisions of the Model, the Code of Ethics and the relevant company procedures in sensitive areas and activities;
- failure to comply with the obligation to inform the Supervisory Board and/or the direct hierarchical superior regarding any violations of the Model carried out by other employees or recipients of the Model of which there is direct and certain proof;
- failure to comply with the internal procedure and the regulatory framework regarding the so-called whistleblowing with reference to the duty to report: failure to comply with the internal procedure and the regulatory framework regarding the so-called whistleblowing with reference to the good faith that must characterize the sending of a report;
- failure to comply with the internal procedure and the regulatory framework regarding the so-called whistleblowing with reference to compliance with the provisions for the protection of the whistleblower;
- failure to communicate, train and update internal and external staff operating in sensitive areas and activities.



4. The sanctions

Sanctions relating to directors

The Company rigorously evaluates infringements of the Model committed by those who represent the Company's top management. The formation and consolidation of corporate ethics sensitive to the values of correctness and transparency presupposes, first of all, that these values are acquired and respected by those who guide corporate choices, so as to constitute an example and stimulus for all subjects who, at any level, they work for the Company.

Without prejudice to the provisions of the art. 2392 et seq. code civ., depending on the seriousness of the infringement and on the compliant decision of the board of directors (with the abstention from time to time of the interested party), having consulted the board of auditors, protection measures may be applied, within the scope of those envisaged by current legislation, including the revocation of the delegation and/or task granted to the individual. In the most serious cases, the board of directors, having consulted the board of auditors, may propose to the assembly to proceed with the revocation of the office.

Regardless of the application of the sanction, it is done, however, without prejudice to the Company's right to bring liability and/or compensation actions. In cases where the majority of the directors are involved due to serious violations of the Model, the board of auditors will convene the shareholders' meeting to adopt the appropriate protection measures.

In the case of violations committed by a person referred to in this paragraph, who is also an employee of the Company, the sanctions established by the board of directors will be applied, without prejudice in any case to the applicability of the various disciplinary actions that can be exercised based on the subordinate employment relationship with the Company and in compliance with legal and/or contractual procedures, as applicable.

Sanctions relating to Directors

In case of failure to comply with the Organizational Model by one or more Auditors, the Supervisory Board informs the entire Board of Statutory Auditors and the Board of Directors, who will take appropriate measures including, for example, convening the Shareholders' Meeting in order to adopt the most appropriate measures required by law.

Regardless of the application of the sanction, it is done, however, without prejudice to the Company's right to bring liability and/or compensation actions.

Sanctions relating to employees

Failure to comply with the provisions of the Model and the procedures described therein as well as violations of the provisions and principles established by the Code of Ethics entail the application of the disciplinary sanctions identified against the Company's employees which will be applied in



compliance with the procedures established by the art. 7 of Law no. 300/1970, of the CCNL applied in the company and of any applicable special regulations.

The Company adequately informs all staff - as well as with the traditional dissemination on the company noticeboard pursuant to art. 7, Law n. 300/1970 by publication on the company intranet - regarding the adoption of the sanctioning system referred to in this Model.

The type and extent of sanctions for violation of the Model and the Code of Ethics will be adopted in accordance with the principles of graduality and proportionality, and commensurate in relation to the following general criteria:

- intentionality of the behavior, degree of negligence, imprudence or incompetence demonstrated, also taking into account the predictability of the event;
- relevance of the violated obligations;
- responsibilities related to the job position occupied by the employee;
- relevance of the damage or degree of danger caused to the Company, customers or third parties and the disruption caused;
- existence of aggravating or mitigating circumstances, with particular regard to the worker's behavior towards the Company, other employees and customers, as well as disciplinary precedents within the two-year period established by law;
- participation in the infringement by several workers in agreement with each other.

With reference to the applicable sanctions, it is specified that they will be adopted and applied in full compliance with the procedures established by the national and company collective regulations applicable to the employment relationship. In particular, for non-managerial employees, the sanctions provided for by the CCNL will be applied (verbal warning, written warning, fine, suspension from work and pay and dismissal), in the following terms, with the specification that within the Model and of the Protocols envisaged by the Model itself, the provisions and documents of the company health and safety management system in the workplace must be included and as referred to:

Verbal warning

- slight failure to comply with the rules of conduct of the Code of Ethics and the protocols envisaged by the Model;
- slight failure to comply with company procedures and/or the internal control system;
- tolerance of slight non-compliances or irregularities committed by one's subordinates or by other staff members pursuant to the Model, the protocols, the internal control system and company procedures.



- failure to comply due to slight negligence to requests for information or the production of documents by the control body, unless justified.

There is "slight non-compliance" in cases where the conduct is characterized by slight negligence and has not generated risks of sanctions or damages for the Company.

Written warning

The sanction of a written warning may be applied to workers responsible for having, with slight negligence, committed the following violations, which have exposed the Company to the risk of sanctions or damages of no particular severity:

- failure to comply with the rules of conduct of the Code of Ethics and the protocols envisaged by the Model;
- failure to comply with company procedures and/or the internal control system;
- tolerance of negligent non-compliance committed by one's subordinates or by other staff members pursuant to the Model, the protocols, the internal control system and company procedures.
- delay in complying with requests for information or the production of documents by the Supervisory Board, unless justified.

Fine in an amount not exceeding the amount of 3 hours of de facto pay / Suspension from work and pay for a maximum of 3 days

- failures punishable with the previous sanctions, when due to objective circumstances, specific consequences or recidivism, they are of greater importance;
- repeated or serious failure to comply with the rules of conduct of the Code of Ethics and the protocols envisaged by the Model;
- repeated or serious failure to comply with company procedures and/or the internal control system;
- failure to report or tolerance of serious non-compliance committed by one's subordinates or by other staff members pursuant to the Model, protocols, internal control system and company procedures;
- repeated failure to comply with requests for information or the production of documents by the Supervisory Board, unless justified.

Dismissal for justified subjective reason or for just cause

Significant violation (implemented with willful misconduct or gross negligence) of the rules of conduct envisaged by the Model, by the Code of Ethics, by the related behavioral protocols referred to by the Model and by the company procedures, such as to cause, even potentially, serious moral



or material harm to the Company, such as the adoption of behaviors that integrate one or more crimes or illicit facts that represent the basis of the crimes, and in any case, by way of example:

- any infringement of the company rules issued pursuant to the Decree of such severity, either due to the malicious nature of the act or due to criminal or pecuniary consequences or due to recidivism or its particular nature, as to undermine the trust on which the relationship is based of work;
- carrying out undue acts or omission of due acts pursuant to the Model or the related preventive protocols, which has caused, at the end of a judicial process, the Company to be sentenced to pecuniary and/or disqualifying penalties for having committed the crimes envisaged by the Decree ;
- infringement of company procedures of such severity, either due to the intentional nature of the act or because it was carried out with gross negligence or due to the technical, organisational, legal, economic or reputational consequences or due to the recidivism or its particular nature, as to undermine trust in what the employment relationship is based on.

Dismissal for just cause will be resorted to in the event that the facts alleged against the employee are of such severity that they do not allow the continuation of the relationship, even temporarily.

Workers involved in disciplinary proceedings for violations falling within the scope of this sanctioning system may be suspended from service as a precaution, within the terms and in the manner established by the applicable CCNL.

The same sanctions, graduated according to the seriousness of the violations committed and in light of the fiduciary relationship existing with the management personnel, will be applied to workers with managerial qualifications.

Suppliers and business partners

Where possible, a necessary condition for validly concluding contracts of any type with the Company, and in particular supply and consultancy contracts, is the assumption of a commitment by the third-party contractor to respect the Code of Ethics.

These contracts must provide, when possible, termination clauses, or withdrawal rights in favor of the Company without any penalty for the latter, in the event of the commission of crimes or commission of conduct referred to in the crimes, or in the event of violation of rules of the Code of Ethics, of the Model.

In any case, the commission of illicit acts or behaviors that violate the Company's Code of Ethics will be considered just cause for the termination of the contract pursuant to article 1453 et seq. of the civil code.



The Company reserves the right, however, to take criminal action and to request compensation for damages if such behavior causes damage of any kind, as in the case of application to the Company itself by the judge of the measures provided for by the Decree.

Collaborators, consultants, self-employed workers

As regards the figures of self-employed workers and collaborators of the Company, violations or circumvention of the Model and the Code of Ethics represent a serious breach in the execution of contracts. We therefore recall the provisions of article 1453 et seq. of the code. civil in relation to the termination of the contract due to non-performance.

In compliance with the principle of gradual sanctions, in relation to the seriousness of the disputed violation, the following sanctions may be applied to third parties:

- warns against punctual compliance with the Code of Ethics and the Decree, or the termination of the contractual relationship with the Company;
- immediate termination of the contractual relationship with the Company.

Consequently, in all relationships with these subjects, where possible, specific termination clauses must be included in the supply and collaboration contracts, and/or immediate withdrawal clauses as well as damage compensation and indemnity clauses.

Supervisory body

In the event of violations of the Organizational Model by the Supervisory Board, any of the Auditors or Directors will immediately inform the board of auditors and the board of directors of the Company: these bodies, after notifying the violation and granting adequate defense tools, will take appropriate measures including, for example, the revocation of the role of the entire body and the consequent appointment of a new Supervisory Board.

5. Compensation for damages

Where the commission of the crime by one of the Recipients is proven, whether they are company employees, directors, auditors, consultants or partners, and in addition to the sanctions listed in the Model, the Company hereby reserves all rights to compensation for any damage thus caused to the Company.

6. The application of sanctions

In the event that the person responsible for imposing disciplinary sanctions detects a possible violation of the Model, of the Code of Ethics, of the Protocols referred to therein and, in general, of the Decree, he will promptly report this eventuality to the Supervisory Board.

In this case or if the Supervisory Board autonomously intercepts a potential violation of the Model, the Code of Ethics, the Decree and, in general, the company procedures, having completed the verification and control activity and having found non-compliance with the procedures but judging



that it is not relevant pursuant to the Decree, will communicate this to the human resources manager for the purposes of evaluating the possible relevance of the conduct with respect to other applicable laws or regulations.

If, otherwise, the Supervisory Board deems that the aforementioned potential violation of the Model is relevant pursuant to the Decree, it will transmit the same to the competent body (board of directors and board of auditors in the case of conduct carried out by directors, auditors of the company or employees of the subject in charge of the legal audit of the accounts; human resources manager and board of directors in the case of employees; legal affairs & corporate governance manager and human resources manager in the case of third parties) a report containing:

- the description of the disputed conduct;
- the indication of the provisions of the Model and/or company procedures that appear to have been violated;
- the details of the person held responsible for the violation;
- any documents proving the violation and/or other supporting elements;
- a possible opinion regarding the seriousness of the violation and the sanction deemed appropriate, also in light of this sanctioning system.

Upon receipt by the competent body as identified above, it will evaluate the case and possibly impose the sanction deemed appropriate, giving written feedback to the Supervisory Board itself for its own assessments.