ORGANISATION AND MANAGEMENT MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001 OF C.M.C. S.P.A.

Version no. 3 approved by the Board of Directors

on October 6th, 2026

PACKAGING AUTOMATION

INDEX

GENERAL SECTION

1. LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001 ON THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS, INCLUDING THOSE WITHOUT LEGAL STATUS....4

1.1 THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS....4

1.2 THE PERSONS WHOSE CONDUCT DETERMINES THE LIABILITY OF THE ENTITY IN ACCORDANCE WITH LEGISLATIVE DECREE NO. 231 OF 2001....5

1.3 PREDICATE OFFENCES....5

1.4 SANCTIONS PROVIDED FOR IN THE DECREE....10

1.5 ATTEMPTED CRIMES....15

1.6 EXEMPTING CONDUCT....15

1.7 WHISTLEBLOWER PROTECTION....16

1.8 GUIDELINES....17

2. The activity carried out by C.M.C. S.p.A....20

3. The Model....21

3.1 THE AIMS OF THE MODEL....21

3.1.1 The drafting of the Model....21

3.1.2. The concept of risk....22

3.1.3 The structure of the Model and the Predicate Offences relevant to its drafting....22

3.1.4. Adoption of the Model....25

3.2. DOCUMENTS RELATED TO THE MODEL....25

3.3. THE WHISTLEBLOWING POLICY....26

3.4. MANAGEMENT OF FINANCIAL RESOURCES....27

3.5. CIRCULATION OF THE MODEL....27

3.5.1. Recipients....28

3.5.2. Staff Training and Information....28

3.5.3. Information to Third Parties and circulation of the Model....29

4. Details of the Company's governance model and general organisational structure....29

4.1. THE COMPANY'S GOVERNANCE MODEL....29

4.2. THE COMPANY'S INTERNAL CONTROL SYSTEM....30

4.3. GENERAL PRINCIPLES OF CONTROL IN ALL AREAS AT RISK OF OFFENCES....30

5. The Supervisory Board....31

5.1. CHARACTERISTICS OF THE SUPERVISORY BOARD....31

5.2. DESIGNATION OF THE SUPERVISORY BOARD....32

5.3. DURATION OF ASSIGNMENT AND CAUSES OF TERMINATION....32
5.4. CASES OF INELIGIBILITY AND FORFEITURE....33
5.5. FUNCTIONS, TASKS AND POWERS OF THE SUPERVISORY BOARD....35
5.6. RESOURCES OF THE SUPERVISORY BOARD....36
5.7. INFORMATION FLOWS TO THE SUPERVISORY BOARD....37
5.7.1. Information obligations vis-a-vis the Supervisory Board....37
5.7.2. Information obligations of the Supervisory Board....38
6. Sanctioning System for failure to comply with this Model and the rules/provisions referred to therein....39
6.1. GENERAL PRINCIPLES....39
6.2. DEFINITION OF "VIOLATION" FOR THE PURPOSES OF THE OPERATION OF THIS SANCTIONING SYSTEM....40
6.3 SANCTIONS FOR EMPLOYEES....43
6.3.1. Employees....44
6.3.2. Executives....46
6.4. DIRECTORS....47
6.5. STATUTORY AUDITORS....47
6.6. THIRD PARTIES: COLLABORATORS, AGENTS AND EXTERNAL CONSULTANTS....47
6.7. REGISTER....48
6.8....PROCEDURE FOR THE IMPOSITION OF SANCTIONS....48
6.8.1. The procedure for imposing sanctions on Directors....48
6.8.2. The procedure for imposing sanctions on Executives....49
6.8.3. The procedure for imposing sanctions on employees....50
6.8.4. The procedure for imposing sanctions on members of the Board of Statutory Auditors. .52
6.8.5. The procedure for imposing sanctions on Third Parties: collaborators, agents and external consultants....52

GENERAL SECTION

1. LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001 ON THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS, INCLUDING THOSE WITHOUT LEGAL STATUS

1.1 The Administrative Liability of Legal Persons

Legislative Decree no. 231 of 8 June 2001, implementing Delegated Law no. 300 of 29 September 2000, introduced in Italy the "Regulations on the administrative liability of legal persons, companies and associations, including those without legal status" (hereinafter, for brevity, also "Legislative Decree no. 231 of 2001" or the "Decree"), which is part of a broad legislative process to combat corruption and brings Italian regulations on the liability of legal persons into line with certain International Conventions previously signed by Italy, in particular:

- Brussels Convention of 26 July 1995 on the protection of the European Community's financial interests;
- Brussels Convention of 26 May 1997 on the fight against corruption of officials of the European Community and its Member States;
- OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

Legislative Decree no. 231 of 2001 therefore establishes a system of administrative liability (substantially comparable to criminal liability) for legal persons (hereinafter, for brevity, also "Entity/Entities"), which is in addition to the liability of the natural person (better identified below) who committed the offence and which aims to involve, in the punishment of the offence, the Entities in whose interest or to whose advantage the offence was committed. This administrative liability applies only to the offences listed exhaustively in the same Legislative Decree no. 231 of 2001.

Article 4 of the Decree also specifies that in some cases and under the conditions set out in Articles 7, 8, 9 and 10 of the Italian Criminal Code, the administrative liability of Entities having their head office in the territory of the State for offences committed abroad by natural persons (as better identified below) shall subsist, provided that the State of the place where the criminal act was committed does

not take action against such Entities.

1.2 The Persons whose conduct determines the liability of the Entity in accordance with Legislative Decree no. 231 of 2001

The persons who, by committing an offence in the interest or to the advantage of the Entity, may determine its liability are listed below:

(i) natural persons who hold top management positions (representation, administration or management of the Entity or one of its organisational units with financial and functional autonomy or individuals who exercise de facto management and control: hereinafter, for brevity, the "Top Managers"),

(ii) natural persons managed or supervised by one of the Top Managers (hereinafter, for brevity, the "Subordinates").

In this regard, it should be noted that it is not necessary for the Subordinates to have a subordinate working relationship with the Entity, as this notion also includes "those employees who, although not employees of the entity, have a relationship with the latter such as to lead to the assumption of an obligation of supervision by the top management of the entity itself: for example, agents, partners in joint ventures, the so-called para-employees in general, distributors, suppliers, consultants and collaborators".

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

It is however appropriate to reiterate that the Entity is not liable, by express legislative provision (Article 5, paragraph 2, of the Decree), if the aforementioned persons have acted exclusively in their own interest or that of third parties. In any event, their conduct should be related to that "organic" relationship whereby the acts of the natural person can be ascribed to the Entity.

1.3 Predicate Offences

The Decree refers to the following types of offences (hereinafter, for brevity, also the "Predicate Offences"):

i) offences against the Public Administration, including: undue receipt of

disbursements, fraud to the detriment of the State or a public body or for the attainment of public disbursements, computer fraud to the detriment of the State or a public body, extortion, undue induction to give or promise benefits, bribery (including international bribery), incitement to bribery and trafficking in unlawful influence (Articles 24 and 25 of Legislative Decree no. 231 of 2001), introduced by the Decree and subsequently amended, inter alia, by Law no. 190 of 6 November 2012, Law no. 3 of 16 January 2019, Legislative Decree no. 75 of 14 July 2020, Decree-Law no. 92 of 4 July 2024, converted by Law no. 112 of 8 August 2024, and Law no. 114 of 9 August 2024; fraud in the execution of public supply contracts (including to the detriment of the European Union), fraud for the purpose of obtaining disbursements from European Agricultural Funds, embezzlement, embezzlement by profiting from another person's error, and undue allocation of money or movable property - where the act affects the financial interests of the European Union. Law no. 114/2024 repealed Article 323 of the Italian Criminal Code (abuse of office) and replaced the wording of Article 346-bis of the Italian Criminal Code;

ii) computer crimes and unlawful data processing, introduced into the list of Predicate Offences by Article 7 of Law no. 48 of 18 March 2008 through the insertion of Article 24-bis into Legislative Decree no. 231/2001. The scope of the provision was subsequently broadened by Decree-Law 105/2019, which included offences relating to the national cyber-security perimeter. Most recently, Law no. 90 of 28 June 2024 amended Article 24-bis, updating its sanctioning regime, replacing the reference to Article 615-quinquies of the Italian Criminal Code with Article 635-quater.1 of the Italian Criminal Code and introducing, for the purposes of the Entity's liability under Legislative Decree no. 231/2001, the relevance of Article 629, third paragraph, of the Italian Criminal Code;

iii) organised crime offences, introduced by Article 2, paragraph 29, of Law no. 94 of 15 July 2009, which inserted Article 24-ter into Legislative Decree no. 231 of 2001;

iv) offences relating to counterfeiting money, public credit cards, revenue stamps and identification instruments or signs, introduced by Article 6 of Law no. 409 of 23 November 2001, which inserted Article 25-bis into

Legislative Decree no. 231 of 2001, subsequently supplemented by Article 15, paragraph 7, letter a), of Law no. 99 of 23 July 2009;

v) offences against industry and trade, introduced by Article 15, paragraph 7, letter b), of Law no. 99 of 23 July 2009, which inserted Article 25-bis.1 into Legislative Decree no. 231 of 2001, subsequently amended by Law no. 75 of 21 April 2026, which repealed Article 516 of the Criminal Code and included among the predicate offences the aggravated case under Article 517-octies, paragraph 4, of the Criminal Code (food fraud and trade in food bearing misleading signs committed through multiple transactions and continuous organised activities);

vi) corporate offences, introduced by Legislative Decree no. 61 of 11 April 2002, which included Article 25-ter in Legislative Decree no. 231 of 2001, subsequently supplemented by Legislative Decree no. 262 of 28 December 2005, Law no. 190 of 6 November 2012, Law no. 69 of 27 May 2015 and Legislative Decree no. 38 of 15 March 2017, as well as by Legislative Decree no. 19 of 2 March 2023, which introduced the offence of false or omitted declarations for the issue of the preliminary certificate (Article 25-ter, paragraph 1, letter s-ter);

vii) crimes with the purpose of terrorism or subversion of the democratic order, introduced by Law no. 7 of 14 January 2003, which inserted Article 25-quater into Legislative Decree no. 231 of 2001;

viii) crimes against physical safety, with particular reference to the sexual integrity of women, introduced by Law no. 7 of 9 January 2006, which included Article 25-quater.1 in Legislative Decree no. 231 of 2001;

ix) crimes against the individual, introduced by Law no. 228 of 11 August 2003, which inserted Article 25-quinquies into Legislative Decree no. 231 of 2001, subsequently amended by Law no. 38 of 6 February 2006, Legislative Decree no. 39 of 4 March 2014 and Law no. 199 of 29 October 2016, and by Legislative Decree no. 115 of 12 June 2026, which introduced the offence of taking advantage of a victim of enslavement or trafficking (Article 601.1 of the Criminal Code);

x) market abuse offences, provided for by Law no. 62 of 18 April 2005, which included in Legislative Decree no. 231 of 2001 Article 25-sexies and, within the TUF, Article 187-quinquies "Liability of the entity";

xi) offences of culpable homicide or serious or very serious injury, committed in

violation of the rules on the protection of health and safety at work, introduced by Law no. 123 of 3 August 2007, which included in Legislative Decree no. 231 of 2001 Article 25-septies, subsequently amended by Legislative Decree no. 81 of 9 April 2008;

xii) offences of receiving stolen goods, money laundering and use of money, goods or other benefits of unlawful origin, as well as self-laundering, introduced by Legislative Decree no. 231 of 21 November 2007, which inserted Article 25-octies into Legislative Decree no. 231 of 2001, subsequently amended by Law no. 186 of 15 December 2014 , Legislative Decree no. 90 of 25 May 2017 and Legislative Decree no. 195 of 8 November 2021;

xiii) offences relating to violation of copyright, introduced by Article 15, paragraph 7, letter c), of Law no. 99 of 23 July 2009, which inserted Article 25-novies into Legislative Decree no. 231 of 2001;

xiv) the offence of inducing persons not to make statements or to make false statements to the judicial authorities, introduced by Article 4 of Law no. 116 of 3 August 2009, which inserted Article 25-decies into Legislative Decree no. 231 of 2001;

xv) environmental offences, introduced by Legislative Decree no. 121 of 7 July 2011, which inserted Article 25-undecies into Legislative Decree no. 231 of 2001, subsequently amended by Law no. 68 of 22 May 2015 (the so-called "Eco-crimes"), by Decree-Law no. 116 of 8 August 2025, converted with amendments by Law no. 147 of 3 October 2025, and, most recently, by Legislative Decree no. 81 of 21 April 2026 (in force from 2 June 2026), which amended the sanctioning regime and the scope of the environmental Predicate Offences;

xvi) transnational offences, introduced by Law no. 146 of 16 March 2006, "Law ratifying and implementing the United Nations Convention and Protocols against transnational organised crime";

xvii) the offence of employment of third-country nationals whose stay is irregular, introduced by Legislative Decree no. 109 of 16 July 2012, containing the "Implementation of Directive 2009/52/EC introducing minimum rules on sanctions and measures against employers who employ third-country nationals whose stay is irregular", which inserted Article 25-duodecies into Legislative Decree no. 231 of 2001,

subsequently amended by Law no. 161 of 17 October 2017;

xviii) offences of bribery among private individuals, introduced by Law no. 190 of 6 November 2012, which included in Legislative Decree no. 231 of 2001 letter s-bis of Article 25-ter, paragraph 1, subsequently amended by Legislative Decree no. 38 of 15 March 2017;

xix) crimes of racism and xenophobia, introduced by Law no. 167 of 20 November 2017, which inserted Article 25-terdecies into Legislative Decree no. 231 of 2001;

xx) offences of fraud in sports competitions, unlawful gaming or betting and gambling carried out by means of prohibited devices, introduced by Law no. 39 of 3 May 2019, which inserted Article 25-quaterdecies into Legislative Decree no. 231 of 2001;

xxi) tax offences, including the offence of fraudulent declaration through the use of invoices or other documents for non-existent transactions, fraudulent declaration by other means, issuance of invoices or other documents for non-existent transactions, concealment or destruction of accounting documents, and fraudulent evasion of taxes - Articles 2, 3, 8, 10 and 11 of Legislative Decree no. 74 of 2000 - introduced by Law no. 157 of 19 December 2019, which inserted Article 25-quinquiesdecies into Legislative Decree no. 231 of 2001; unfaithful declaration, omitted declaration and undue offsetting, where committed for the purpose of evading value added tax within cross-border fraudulent schemes connected with the territory of at least one other Member State of the European Union and resulting, or potentially resulting, in total damage of at least Euro 10 million - Articles 4, 5 and 10-quater of Legislative Decree no. 74 of 2000 - introduced by Legislative Decree no. 75 of 14 July 2020 (the relevant conditions having been reformulated by Legislative Decree no. 156 of 4 October 2022). Legislative Decree no. 87 of 14 June 2024 affected matters relevant to the 231 safeguards, including the definitions of non-existent credits and unavailable credits, undue offsetting, and coordination between tax proceedings, criminal proceedings and the Entity's liability under Article 25-quinquiesdecies;

xxii) smuggling offences under Legislative Decree no. 141 of 26 September 2024 and, as regards excise duties, Legislative Decree no. 504 of 26 October 1995, relevant pursuant to Article 25-sexiesdecies of the Decree,

as amended by Legislative Decree no. 141/2024;

xxiii) offences concerning breaches of European Union restrictive measures, introduced by Legislative Decree no. 211 of 30 December 2025, which inserted Article 25-octies.2 into Legislative Decree no. 231 of 2001, relevant to the Company by reason of its export activity, international distribution, supply of spare parts and post-sales technical assistance also abroad;

xxiv) offences committed through the use of artificial intelligence systems, referred to in Article 25-vicies of the Decree, introduced by Article 15 of Legislative Decree no. 160 of 9 September 2026 (in force from 30 September 2026), including failure to adopt security measures for high-risk AI systems and unlawful alteration of systems (Article 437-bis of the Italian Criminal Code), as well as unlawful dissemination of content generated or altered using AI (Article 612-quater of the Italian Criminal Code);

xxv) offences relating to payment instruments other than cash and fraudulent transfer of assets, referred to in Article 25-octies.1 of the Decree, introduced by Legislative Decree no. 184 of 8 November 2021 and subsequently amended by Decree-Law no. 105 of 10 August 2023, converted by Law no. 137 of 9 October 2023;

xxvi) offences against cultural heritage and offences of laundering cultural property and devastation and looting of cultural and landscape assets, referred to in Articles 25-septiesdecies and 25-duodevicies of the Decree, introduced by Law no. 22 of 9 March 2022;

xxvii) offences against animals, referred to in Article 25-undevicies of the Decree, introduced by Law no. 82 of 6 June 2025 (in force from 1 July 2025).

1.4 Sanctions provided for in the Decree

Legislative Decree no. 231 of 2001 provides for the following types of sanctions applicable to the entities covered by the legislation:

(a) administrative pecuniary sanctions;
(b) disqualification sanctions;
(c) confiscation of the price or profit of the offence;
(d) publication of the judgment.

(**a**) The administrative pecuniary sanction, governed by Articles 10 et seq. of the Decree, is the basic sanction that must necessarily be applied, for payment of which the Entity is liable with its assets or common fund (which, in associations, consists of the contributions of individual members).

The Legislator adopted an innovative criterion for determining the pecuniary sanction, requiring the Judge to make two separate and successive assessments in order to ensure that the sanction is proportionate to the seriousness of the act and to the economic circumstances of the Entity.

The first assessment requires the Judge to determine the number of units (in any case not fewer than one hundred and not more than one thousand), taking into account:

- the seriousness of the act;
- the degree of responsibility of the Entity;
- the activity carried out to eliminate or mitigate the consequences of the act and to prevent the commission of further offences.

In the second assessment, the Judge determines, within the predetermined minimum and maximum values applicable to the sanctioned offences, the value of each unit, from a minimum of Euro 258.00 to a maximum of Euro 1,549.00. This amount is set "on the basis of the economic and financial circumstances of the entity in order to ensure the effectiveness of the sanction" (Articles 10 and 11, paragraph 2, Legislative Decree no. 231 of 2001).

As stated in point 5.1 of the Report accompanying the Decree, "As regards the methods for ascertaining the economic and financial circumstances of the entity, the judge may use the financial statements or other records suitable for depicting those circumstances. In some cases, evidence may also be obtained by taking into account the size of the entity and its position on the market. (...) The judge will necessarily have to examine, with the assistance of consultants, the actual circumstances of the undertaking, from which information may also be obtained on the state of the entity's economic, financial and asset strength".

Article 12 of Legislative Decree no. 231 of 2001 provides for a series of cases in which the pecuniary sanction is reduced. These are summarised schematically in the following table, indicating the reduction applied and the conditions for application of the reduction.

Reduction	Conditions
1/2 (and in any event it may not exceed Euro 103,291.00)	• The perpetrator committed the offence primarily in his/her own interest or in the interest of third parties and the Entity obtained no advantage or only a minimal advantage; and the financial damage caused is particularly minor. •
from 1/3 to 1/2	[Before the opening statement of the first-instance trial] The Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence, or has in any event effectively endeavoured to do so; or an organisational model suitable for preventing offences of the kind that occurred has been implemented and made operational. • •
from 1/2 to 2/3	[Before the opening statement of the first-instance trial] The Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence, or has in any event effectively endeavoured to do so; and an organisational model suitable for preventing offences of the kind that

Reduction	Conditions
	occurred has been implemented and made operational. • •

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

- disqualification from carrying on business;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition from contracting with the Public Administration, except in order to obtain the performance of a public service;
- exclusion from concessions, financing, contributions and subsidies and/or revocation of those already granted;
- prohibition from advertising goods or services.

For disqualification sanctions to be imposed, at least one of the conditions referred to in Article 13 of Legislative Decree no. 231 of 2001 must be met, namely:

- "the entity has derived a significant profit from the offence and the offence was committed by persons in top management positions or by persons subject to the direction of others where, in the latter case, the commission of the offence was determined or facilitated by serious organisational shortcomings";

or

- "in the event of repetition of offences".

In addition, disqualification sanctions may also be requested by the Public Prosecutor and applied to the Entity by the Judge as a precautionary measure where:

- there is strong evidence supporting the Entity's liability for an administrative offence arising from a criminal offence;
- there are well-founded and specific elements indicating a concrete risk that offences of the same kind as that under investigation may be committed;
- the Entity has derived a significant profit.

In any event, disqualification sanctions are not applied where the offence was committed primarily in the interest of the perpetrator or third parties and the

Entity obtained minimal or no advantage from it, or where the financial damage caused is particularly minor.

The application of disqualification sanctions is also excluded where the Entity has carried out the remedial conduct provided for by Article 17 of Legislative Decree no. 231 of 2001 and, more precisely, where all of the following conditions are met:

- "the entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the offence, or has in any event effectively endeavoured to do so";
- "the entity has eliminated the organisational shortcomings that led to the offence through the adoption and implementation of organisational models suitable for preventing offences of the kind that occurred";
- "the entity has made the profit obtained available for confiscation".

Disqualification sanctions have a duration of not less than three months and not more than two years, and the choice of the measure to be applied and its duration is made by the Judge on the basis of the criteria indicated above for determining the pecuniary sanction, "taking into account the suitability of the individual sanctions to prevent offences of the type committed" (Article 14, Legislative Decree no. 231 of 2001).

Lastly, the Legislator specified that disqualification from carrying on business is residual in nature with respect to the other disqualification sanctions.

(**c**) Pursuant to Article 19 of Legislative Decree no. 231 of 2001, conviction always entails confiscation - including confiscation by equivalent value - of the price (money or other economic benefit given or promised to induce or cause another person to commit the offence) or profit (the immediate economic benefit obtained) of the offence, except for the part that may be returned to the injured party and without prejudice to rights acquired by third parties in good faith. Article 6, paragraph 5, of Legislative Decree no. 231 of 2001 also provides that confiscation of the profit of the offence is always ordered (including by equivalent value) even where the Entity is able to prove its non-involvement in the offence committed by Top Managers (see below, paragraph 1.6).

(**d**) Publication of the judgment of conviction in one or more newspapers, in extract or in full, may be ordered by the Judge, together with posting in the municipality where the Entity has its head office, when a disqualification sanction is applied. Publication is carried out by the Clerk of the competent Court

at the expense of the Entity.

1.5 Attempted crimes

Where the Predicate Offences under the Decree are committed in the form of an attempt, pecuniary sanctions (in terms of amount) and disqualification sanctions (in terms of duration) are reduced by one third to one half, while no sanctions are imposed where the Entity voluntarily prevents completion of the action or occurrence of the event (Article 26 of the Decree).

1.6 Exempting Conduct

Articles 6 and 7 of Legislative Decree no. 231 of 2001 provide for specific forms of exemption from the administrative liability of the Entity for offences committed in its interest or to its advantage both by Top Managers and by Subordinates (as defined in paragraph 1.2 above).

In particular, in the case of offences committed by Top Managers, Article 6 of the Decree provides for exemption where the Entity proves that:

a) the management body adopted and effectively implemented, before the offence was committed, an organisation and management model suitable for preventing offences of the kind that occurred (hereinafter, for brevity, the "Model");

b) the task of supervising the operation of and compliance with the Model and ensuring that it is updated was entrusted to a body of the Entity (hereinafter, for brevity, the "Supervisory Board" or "SB"), vested with autonomous powers of initiative and control;

c) the persons who committed the offence acted by fraudulently circumventing the Model;

d) there was no omitted or insufficient supervision by the Supervisory Board.

As regards Subordinates, Article 7 of the Decree provides for exemption from liability where, before the offence was committed, the Entity adopted and effectively implemented a Model suitable for preventing offences of the kind that occurred.

Exemption from the Entity's liability is not, however, determined merely by adoption of the Model, but by its effective implementation through all protocols and controls necessary to limit the risk of commission of the offences that the

Company intends to prevent. In particular, with regard to the characteristics of the Model, the Decree expressly provides, in Article 6, paragraphs 2 and 2-bis, that the Model must meet the following requirements:

a) identify the activities within which offences may be committed (so-called activities at risk of offences);

b) provide for specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the offences to be prevented;

c) identify methods for managing financial resources suitable for preventing the commission of such offences;

d) provide for information obligations vis-a-vis the Supervisory Board;

e) introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the Model;

f) provide for one or more channels for reporting unlawful conduct or violations of the Model (so-called whistleblowing - see paragraph 1.7 below for further details).

1.7 Whistleblower Protection

Law no. 179/2017 on the protection of whistleblowers inserted a new paragraph (2-bis) into Article 6 of Legislative Decree no. 231/2001, providing for the inclusion in the organisation and management model adopted by the Company of:

- specific channels, at least one of which is computerised, for reporting unlawful conduct and violations of the Organisation Model, suitable for ensuring the confidentiality of the identity of the reporting person during management of the report (Article 6, paragraph 2-bis, letters a) and b), Legislative Decree no. 231/2001);
- a prohibition on retaliatory or discriminatory acts, whether direct or indirect, against the reporting person for reasons directly or indirectly connected with the report (Article 6, paragraph 2-bis, letter c), Legislative Decree no. 231/2001);
- disciplinary sanctions for persons who breach the confidentiality of the reporting person and, conversely, for persons who make unfounded reports wilfully or through gross negligence (Article 6, paragraph 2-bis, letter d), Legislative Decree no. 231/2001);

- the nullity of retaliatory dismissal and of other discriminatory or retaliatory measures - including changes in duties - affecting the reporting person and arising directly or indirectly from the report (Article 6, paragraph 2-quater, Legislative Decree no. 231/2001).

On 15 March 2023 Legislative Decree no. 24 of 10 March 2023 (hereinafter the "Decree") was published in the Official Gazette, implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 concerning the "protection of persons who report breaches of national or European Union law that harm the public interest or the integrity of the public administration or private entity and of which they became aware in a public or private context" (hereinafter the "Directive").

By virtue of Articles 23 and 24, paragraph 5, of Legislative Decree no. 24/2023, paragraphs 2-ter and 2-quater of Article 6 of Legislative Decree no. 231/2001 were repealed and paragraph 2-bis was replaced by the following: "The models referred to in paragraph 1, letter a), shall provide, pursuant to the legislative decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, for internal reporting channels, the prohibition of retaliation and the disciplinary system adopted pursuant to paragraph 2, letter e)." The provisions introduced by Law no. 179/2017 referred to above continue to apply only to reports made up to 14 July 2023 (Article 24, paragraph 1, Legislative Decree no. 24/2023).

For this purpose C.M.C. has adopted a Whistleblowing Policy, discussed in paragraph 3.3 below, available in full on the Portal https://whistleblowersoftware.com/secure/9ad70fdb-573f-4572-a2f7-93ce37ac6571 and forming an integral part of the Model.

1.8 Guidelines

At the express direction of the delegated Legislator, Models may be adopted on the basis of codes of conduct drawn up by representative trade associations and communicated to the Ministry of Justice, which, in agreement with the competent Ministries, may formulate observations within 30 days on the suitability of the models to prevent offences.

The preparation of this Model is inspired by the Guidelines for the drafting of Organisation, Management and Control Models pursuant to Legislative Decree no. 231 of 2001, approved by Confindustria on 7 March 2002 and subsequently

updated (first in 2008, then in March 2014 and finally in 2021).

The path outlined by the Guidelines for drafting the Model can be summarised as follows:

- identification of the areas at risk, aimed at verifying in which areas/company sectors it is possible to commit the offences indicated in the Decree (so-called "sensitive areas") or in which conduct instrumental to the commission of the offences set out in the Decree may in any event be carried out (so-called "instrumental areas"), such as, for example, management of the Company's financial activity, potentially functional to the creation of off-book reserves;
- preparation of a control system capable of reducing risks through the adoption of appropriate protocols. This is supported by the coordinated set of organisational structures, activities and operating rules applied - on the instructions of top management - by management and consultants, aimed at providing reasonable assurance that the objectives of a sound internal control system will be achieved. The most relevant components of the preventive control system proposed by the Guidelines are, as regards the prevention of intentional offences:
  - the Code of Ethics: consisting of the document through which the company is to circulate within the organisation, and to all stakeholders, a set of ethical principles, commitments and responsibilities that inspire its activities and the corresponding conduct required of recipients. In addition to the Code of Ethics, the Diversity, Equity and Inclusion Policy forms part of the procedures adopted by the Company, in order to inspire the activities and conduct of recipients to the principles of respect for diversity, inclusion, collaboration and innovation.
  - the organisational system: the Entity must define in formal documents (organisation chart, job descriptions, function chart, delegations and proxies, appointments, etc.) the functions and powers of each company role, clarifying the type of relationship (hierarchical, staff, control, reporting) between them. The procedures for access to certain roles in the company and any reward and gratification systems aimed at personnel (objectives, results, seniority increases, acquisition of new qualifications and skills) must be clearly defined.
  - manual and computerised procedures: company provisions and formalised procedures (computerised and manual) must exist to provide principles of conduct and operating methods for carrying out sensitive and instrumental activities, as well as methods for filing the relevant documentation. Careful

observance of the procedures adopted is necessary above all for the administrative-financial area (Article 6, paragraph 2, letter c), Legislative Decree no. 231/2001 expressly provides that the Model must "identify methods for managing financial resources suitable for preventing the commission of offences"). In this area, the internal control system may be implemented through widespread and recognised tools, including: paired signatures, regular and frequent meetings, sharing of tasks, provision for at least dual control (operator and top management role), verification of compliance with the budget, verification of the existence of adequate supporting documentation and justification (invoices, contracts, orders, transport documents, resolutions, etc.). Furthermore, where certain transactions are carried out, by company choice or due to exceptional events, outside the system of procedures and practices adopted, it will be important to ensure absolute transparency and documentation of the activity carried out.

- authorisation and signature powers: authorisation and signature powers must be consistent with the responsibilities assigned, providing, where required, for spending limits; they must also be clearly defined and known both within and outside the Company. In any event, unlimited powers that are not subject to verification must not be assigned to persons required to make decisions that could result in the commission of offences.
- the management control system: in particular, the management control system must be structured across the various phases of preparing the annual budget, analysing periodic actual results and preparing forecasts.

  The control system must be based on the following principles:
  - verifiability, documentability, consistency and appropriateness of each transaction;
  - segregation of duties (no one may independently manage all phases of a process);
  - documentation of controls;
  - introduction of an appropriate sanctioning system for violations of the rules and protocols provided for by the Model;
  - identification of a Supervisory Board (see Chapter 5 in detail) whose main requirements are:
    - autonomy and independence,

- professionalism,
- continuity of action;

- communication to personnel and their training, aimed at consolidating in all Addressees knowledge of the principles and rules with which actual operations must comply.

  With reference to negligent offences, the most relevant components identified by the Guidelines are:

  - the Code of Ethics (or code of conduct) with reference to the offences considered and the Diversity, Equity and Inclusion Policy;
  - the organisational structure;
  - education and training;
  - communication and involvement;
  - operational management;
  - the safety monitoring system;

➢ **the obligation of company functions, and in particular those identified as being most "at risk of offences", to provide information to the Supervisory Board, both on a structured basis (periodic reporting in implementation of the Model itself) and to report anomalies or atypical circumstances found in the information available.**

2. THE ACTIVITY CARRIED OUT BY C.M.C. S.P.A.

C.M.C. S.p.A. (hereinafter the "Company" or "C.M.C.") is an Italian company, with registered office in Città di Castello (PG), Via C. Marx 13/C, incorporated on 25/09/2007 and registered in the Companies Register of Umbria on 25 September 2007.

C.M.C. is a company specialising in the construction, maintenance, service and trade of industrial machines, machine parts and spare parts, including their design and engineering.

In particular, the company designs, assembles and tests high-speed automatic packaging systems for the paper converting industry, including, for example, systems for traditional inserting, paper and film wrapping, boxing, collecting systems and auxiliary connection systems for pre- and end-of-line.

The Company has adopted certain procedures/policies which are also considered suitable for preventing the commission of the Predicate Offences indicated in Legislative Decree no. 231 of 2001.

The document summarising the results of the risk assessment therefore refers to such procedures/policies, since they form an integral part of the preventive control system.

Lastly, the Company has also adopted a Code of Ethics and a specific procedure called the Diversity, Equity and Inclusion Policy, which set out the general principles that must guide the performance of its activities.

3. THE MODEL

3.1 The aims of the Model

The Model prepared by the Company on the basis of the identification of the areas of possible risk in the Company's activities within which the likelihood of offences being committed is deemed to be higher has the following aims:

- to establish a prevention and control system aimed at reducing the risk of committing offences related to the Company's activities;
- to make all those who work in the name and on behalf of the Company, and in particular those involved in the "areas of activity at risk", aware that, in the event of violation of the provisions contained therein, they may incur disciplinary sanctions up to dismissal, and that the commission of any offences in the apparent interest or to the advantage of C.M.C. also exposes the Company to serious pecuniary and disqualification sanctions;
- to inform all those who work with the Company that violation of the provisions contained in the Model will result in the application of appropriate sanctions, up to and including termination of the contractual relationship;
- to confirm that the Company does not tolerate unlawful conduct of any kind or for any purpose whatsoever and that, in any event, such conduct (even if the Company were apparently in a position to derive an advantage from it) is contrary to the principles that inspire the Company's business activities.

3.1.1 The drafting of the Model

On the basis also of the indications contained in the reference Guidelines, the drafting of the Model (and the subsequent drafting of this document) was divided into the phases described below:

(i) preliminary examination of the company context through analysis of the relevant corporate documentation and interviews with the managers of the Company, who are informed about its structure and activities, in order to

define the organisation and the activities carried out by the various organisational units/company functions, as well as the Company processes into which the activities are divided and their concrete and effective implementation;

(ii) identification of the areas of activity and Company processes "at risk" or "instrumental" to the commission of offences, carried out on the basis of the aforementioned preliminary examination of the company context (hereinafter, for brevity, collectively referred to as the "Areas at Risk of Offences");

(iii) an illustrative description, also in order to facilitate understanding of the Model by its Addressees, of the main possible methods of committing the Predicate Offences within the individual Areas at Risk of Offences;

(iv) identification and assessment of the Entity's control system aimed at preventing the commission of the Predicate Offences, with any indication of the protocols governing Company operations;

(v) implementation of the principles of conduct and procedural rules laid down by the Model, as well as verification of the actual suitability and operation of the control instruments, continuously monitoring effective compliance with the Model.

3.1.2. The concept of risk

When preparing an organisation and management model such as this one, the concept of risk cannot be overlooked. Indeed, for the purpose of complying with the provisions introduced by Legislative Decree no. 231 of 2001, it is essential to establish the standard of adequacy of the protocols that the company is required to adopt in order to minimise the risk of offences being committed. With specific reference to the provisions of the Decree, and as clarified by criminal case law, an adequate preventive system must be effectively implemented in such a way that it can only be circumvented fraudulently, i.e. through artificial conduct aimed at bypassing the rules established by the Company (for example, falsifying signatures to make it appear that authorisation has been given by another company function).

3.1.3 The structure of the Model and the Predicate Offences relevant to its drafting

The Company intended to prepare a Model that takes account of its specific business circumstances, is consistent with its governance system and makes effective use of the controls and bodies already in place.

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

- affect the internal operation of the Company and the manner in which it interacts with external parties;
- govern the diligent management of a control system for the Areas at Risk of Offences, aimed at preventing the commission or attempted commission of the offences referred to in the Decree.

In particular, the Model consists of a "General Section", containing its key principles, and several "Special Sections" relating to the different categories of offences provided for by Legislative Decree no. 231 of 2001.

For each category of Predicate Offences, the Special Sections contain a concise description of the offences that may give rise to the Company's administrative liability, an indication of the identified Areas at Risk of Offences, examples of possible methods by which the offences may be committed and a description of the main rules of conduct implemented by the Company, with which the Addressees of the Model (as defined below) must comply in order to prevent the commission of such offences.

In light of the Company's specific operations, it was considered appropriate to focus attention, as being more relevant, on the risks of commission of the offences referred to in the following Articles of the Decree:

- Articles 24 and 25 (offences against the Public Administration), Article 25-ter (bribery and incitement to bribery among private individuals) and Article 25-decies (inducing persons not to make statements or to make false statements to the judicial authorities);
- Article 24-bis (computer crimes and unlawful data processing);
- Article 25-bis.1 (offences against industry and trade);
- Article 25-ter (corporate offences);
- Article 25-septies (culpable homicide or serious or very serious injuries arising from violations of health and safety at work rules);
- Article 25-octies (receiving stolen goods, money laundering and use of money, goods or other benefits of unlawful origin, as well as self-laundering);
- Article 25-undecies (environmental offences);

- Article 25-quinquiesdecies (tax offences);
- Article 25-octies.2 (offences concerning breaches of European Union restrictive measures), by reason of the Company's export operations;

For these families of offences, the general control principles described in the General Section and in the Code of Ethics apply, together with the general principles of conduct and preventive control described in each Special Section.

As regards the offences referred to in Articles 24-ter (organised crime offences), 25-duodecies (employment of third-country nationals whose stay is irregular), 25-terdecies (racism and xenophobia), 25-novies (copyright offences), 25-sexiesdecies (smuggling offences), 25-quinquies (crimes against the individual, with particular reference to taking advantage of a victim of enslavement or trafficking under Article 601.1 of the Criminal Code and to unlawful intermediation and labour exploitation under Article 603-bis of the Criminal Code) and 25-undevicies (offences against animals), the outcome of the risk assessment activities led to the conclusion that the actual possibility of such offences being committed is not significant or is in any event manageable through general principles, in view of the activities carried out by the Company and the preventive measures adopted by the competent company functions. Accordingly, for these types of offences, the general control principles described in the General Section apply, together with the principles of conduct described in Special Section I and in the Code of Ethics.

With specific reference to Article 25-vicies, in view of the activity of designing and manufacturing automated systems and the related software, its relevance must be assessed in practice with regard to any design, integration, placing on the market or professional use of high-risk AI systems. The related principles of conduct are contained in Special Section I, without prejudice to the obligation to update the risk mapping before introducing or integrating such systems.

Also in view of the number of offences that currently constitute predicates for the administrative liability of Entities under the Decree, some of them were not considered relevant for the purpose of drafting this Model, as the risk of committing such offences was considered merely abstract and not realistically conceivable. In particular, following careful assessment of the activities actually carried out by the Company and its history, the following offences were considered not relevant: Article 25-bis (offences relating to counterfeiting money, public credit cards, revenue stamps and identification instruments or signs),

Article 25-quater (crimes with the purpose of terrorism or subversion of the democratic order), Article 25-quater.1 (offences against the sexual integrity of women), Article 25-sexies (market abuse), and Article 25-quaterdecies (fraud in sports competitions, unlawful gaming or betting and gambling carried out by means of prohibited devices).

In any event, the ethical principles underlying the Company's Model and its governance structure are intended, as a general matter, also to prevent those offences which, because they are not relevant, are not specifically addressed in the Special Sections of this Model.

3.1.4. Adoption of the Model

Adoption of this Model is entrusted by the Decree itself to the management body (and in particular to the Board of Directors), which is also responsible for supplementing this Model with further Special Sections relating to other types of Predicate Offences newly introduced into Legislative Decree no. 231 of 2001.

3.2. Documents related to the Model

The following documents form an integral and substantial part of the Model:

- the Code of Ethics containing the set of rights, duties and responsibilities vis-a-vis the Addressees of the Model itself (hereinafter, for brevity, the "Code of Ethics");
- the disciplinary system and related sanctioning mechanism to be applied in the event of violation of the Model (hereinafter, for brevity, the "Sanctioning System");
- the system of delegations and proxies, as well as all documents intended to describe and assign responsibilities and/or duties to those operating within the Entity in the Areas at Risk of Offences (i.e. organisation charts, service orders, job profiles, job descriptions, function charts, etc.);
- the system of procedures, protocols and internal controls, the purpose of which is to ensure adequate transparency and knowledge of decision-making and financial processes, as well as of the conduct to be adopted by the Addressees of this Model operating in the Areas at Risk of Offences. (Hereinafter, for brevity, the system of delegations and proxies, the procedures, protocols and internal controls referred to above will be collectively referred to as the "Procedures").

It follows that the term Model should be understood to mean not only this document but also all further documents and Procedures subsequently adopted in accordance with its provisions and pursuing the purposes indicated therein.

3.3. The Whistleblowing Policy

As mentioned above (see paragraphs 1.7 and 2), C.M.C. has adopted a Whistleblowing Policy providing for a specific procedure for sending reports by whistleblowers.

"Whistleblowing" means any report, made in order to protect the integrity of the Company, concerning irregularities, civil, administrative or criminal unlawful conduct, or violations of the Code of Ethics/Code of Conduct, the 231 Organisation Model and the internal procedures adopted by CMC or the external regulations otherwise applicable to CMC, based on precise and consistent factual elements of which the Addressees became aware by reason of the functions performed.

The Whistleblowing Policy adopted by CMC in accordance with Legislative Decree no. 24/2023 and the ANAC Guidelines on internal reporting channels (Resolution no. 478 of 26 November 2025), provides that reports must be submitted through the following internal channels:

1. the Whistleblowing Portal adopted by CMC, which is the main reporting channel: the Portal, the link to which (https://whistleblowersoftware.com/secure/9ad70fdb-573f-4572-a2f7-93ce37ac6571) is available on the Company's website in the "Sustainability" section, ensures, including through encryption, the confidentiality of the identity of the reporting person, of the persons concerned and of the content of the report, and allows reports to be made both in writing and orally, through a voice messaging system;
2. paper mail: registered letter addressed to the Report Manager, Dr Emanuele Boschi, and marked "CMC Whistleblowing Report Manager", to be sent to Piazza della Libertà no. 9, 50129 - Florence, c/o Studio BL, specifying that the correspondence is "confidential";
3. a face-to-face meeting with the Report Manager, scheduled within a reasonable time at the request of the reporting person, which may also be submitted through the Portal.

The e-mail address odv@cmcsolutions.com is not a reporting channel within the meaning of Legislative Decree no. 24/2023 and is reserved for the information flows to the Supervisory Board referred to in paragraph 5.7 below. The functions of Report Manager and Supervisory Board are currently assigned to the same person, Dr Emanuele Boschi; accordingly, should a report nevertheless be received at that address, it shall be handled in accordance with the Whistleblowing Policy, safeguarding the confidentiality of the identity of the reporting person. Reports concerning violations of the Model or unlawful conduct relevant under the Decree are also taken into account for the purposes of supervising the Model, in compliance with confidentiality obligations; should the two functions be assigned to different persons in the future, the Report Manager shall promptly inform the Supervisory Board of such reports.

The establishment of, and any subsequent changes to, the internal reporting channels are preceded by consultation with the trade union representatives or organisations, pursuant to Article 4 of Legislative Decree no. 24/2023, and by a data protection impact assessment pursuant to Article 35 of Regulation (EU) 2016/679, the results of which are documented and retained by the Company.

For further information on the content of reports and the related methods of management by the Company, as well as on the guarantees and protections for reporting persons, reference is made to the Whistleblowing Policy, available on the Portal https://whistleblowersoftware.com/secure/9ad70fdb-573f-4572-a2f7-93ce37ac6571 and forming an integral part of the Model.

3.4. Management of financial resources

Without prejudice to the provisions of the previous paragraph, considering that pursuant to Article 6, paragraph 2, letter c), of Legislative Decree no. 231 of 2001 one of the requirements to which the Model must respond is the identification of methods for managing financial resources suitable for preventing the commission of offences, the Company has adopted specific operating instructions on cash management.

3.5. Circulation of the Model

3.5.1. Recipients

This Model takes account of the Company's particular business circumstances and represents a valid tool for raising awareness and informing Top Managers and Subordinates (hereinafter, for brevity, the "Addressees").

This is intended to ensure that the Addressees, in carrying out their activities, follow proper and transparent conduct in line with the ethical and social values that inspire the Company in pursuing its corporate purpose and, in any event, such as to prevent the risk of commission of the offences provided for by the Decree.

In any event, the competent company functions ensure that the principles and rules of conduct contained in the Model and in the Company's Code of Ethics are incorporated into the Company's Procedures.

3.5.2. Staff Training and Information

It is the Company's objective to ensure that the Addressees are properly aware of the contents of the Decree and the obligations arising therefrom.

For the purposes of effective implementation of this Model, training and information for the Addressees are managed by the Supervisory Board together with the heads of the company functions involved in the application of the Model (in particular, Human Resources).

The main methods of carrying out the training/information activities necessary also for the purposes of compliance with the provisions contained in the Decree concern specific information at the time of hiring and the additional activities considered necessary in order to ensure the correct application of the provisions contained in the Decree. In particular, the following are provided for:

- an initial communication. In this regard, adoption of this Model is communicated to all resources within the Company. New employees are given a copy of the Code of Ethics and the Model - General Section. They are also asked to sign a form acknowledging that the Model, complete with all its parts, and the Code of Ethics are available from the Company's Human Resources Function (and that the General Section and the Code of Ethics are also available on the Company's website) and undertaking to comply with the contents of the aforementioned rules. In addition, Top Managers and/or Subordinates working in Areas at Risk of Offences are informed about the Special Section(s) concerning the relevant Area;

- a specific training activity. This "continuous" training activity is mandatory and is developed through IT tools and procedures (e-mail updates, Company website, self-assessment tools), as well as periodic training and refresher meetings and seminars. This activity is differentiated, in terms of content and delivery methods, according to the Addressees' qualifications, the risk level of the area in which they operate and whether or not they have representative functions for the Company.

3.5.3. Information to Third Parties and circulation of the Model

The Company also provides for circulation of the Model to persons who have collaborative relationships with the Company without any subordination obligation, consultancy relationships, agency relationships, commercial representation relationships and other relationships resulting in a professional service of a non-subordinate nature, whether continuous or occasional (including persons acting for suppliers and partners, also in the form of temporary associations of companies, as well as joint ventures) (hereinafter, for brevity, the "Third Parties").

In particular, the company functions involved from time to time provide Third Parties in general and the service companies with which they come into contact with appropriate information concerning adoption of the Model pursuant to Legislative Decree no. 231 of 2001. The Company also invites Third Parties to review the contents of the Code of Ethics and the General Section of the Model available on its website.

The relevant contractual documents include specific clauses aimed at informing Third Parties of C.M.C.'s adoption of the Model; Third Parties declare that they have reviewed it and are aware of the consequences arising from failure to comply with the provisions contained in the Model and in the Code of Ethics, and undertake not to commit, and to ensure that their Top Managers or Subordinates refrain from committing, the Predicate Offences.

4. DETAILS OF THE COMPANY'S GOVERNANCE MODEL AND GENERAL ORGANISATIONAL STRUCTURE

4.1. The Company's Governance Model

The Board of Directors consists of three directors, vested with the broadest powers for the ordinary and extraordinary management of the Company,

including the power to take all actions considered appropriate to achieve the corporate purpose, excluding only those actions that the law or the Articles of Association reserve to the Shareholders' Meeting.
The Board of Directors may delegate its powers to one or more of its members or to an executive committee, determining the limits of the delegation.
The following are members of the Board of Directors:

- Francesco Ponti, Chairman of the Board of Directors and Managing Director;
- Lorenzo Ponti, Vice Chairman of the Board of Directors;
- Alessandro Dubini, Director.

4.2. The Company's internal control system

The Company has adopted the following instruments of a general nature, aimed at planning the formation and implementation of decisions, including in relation to the offences to be prevented:

- the ethical principles by which the Company is inspired, also on the basis of what is laid down
  in the Code of Ethics and in the Diversity, Equity and Inclusion Policy;
- the documentation and provisions relating to the Company's hierarchical-functional and organisational structure;
- the internal control system and therefore the structure of company procedures;
- the procedures relating to the administrative, accounting and reporting system;
- compulsory, appropriate and differentiated training for all personnel;
- the sanctioning system set out in the applicable National Collective Bargaining Agreements;
- the body of national laws and regulations.

4.3. General principles of control in all Areas at Risk of Offences

In addition to the specific controls described in each Special Section of this Model, the Company has implemented specific general controls applicable in all Areas at Risk of Offences.
Specifically, these are as follows:

- Transparency: every transaction/action must be justifiable, verifiable, consistent and appropriate;
- Segregation of duties/Powers: no one may independently manage an entire process or be vested with unlimited powers; authorisation and signature powers must be defined consistently with the organisational responsibilities assigned;
- Adequacy of internal rules: the set of company rules must be consistent with the operations carried out and the level of organisational complexity, and must ensure the controls necessary to prevent the commission of the offences provided for by the Decree;
- Traceability/Documentability: every transaction/action, as well as the related verification and control activities, must be documented and the documentation must be properly archived.

4. THE SUPERVISORY BOARD

5.1. Characteristics of the Supervisory Board

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

(**a**) autonomy and independence;
(**b**) professionalism;
(**c**) continuity of action.

Autonomy and independence

The requirements of autonomy and independence are essential so that the Supervisory Board is not directly involved in the management activities that are the subject of its control activity and therefore is not subject to influence or interference by the management body.

These requirements can be achieved by ensuring that the Supervisory Board has the highest possible hierarchical position and by providing for reporting to the highest operational level of the Company, namely the Board of Directors as a whole. For the purposes of independence, it is also essential that the Supervisory Board is not assigned operational tasks that would compromise its objectivity of judgment with reference to checks on conduct and on the effectiveness of the Model.

Professionalism

The Supervisory Board must possess technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with independence, guarantee objectivity of judgment.

Continuity of action

The Supervisory Board must:

- continuously carry out the activities necessary to supervise the Model with adequate commitment and the necessary investigative powers;
- be a structure attributable to the Company, so as to ensure the required continuity of supervisory activity.

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

5.2. Designation of the Supervisory Board

In compliance with the provisions of the Decree, in implementation of the indications provided by the Guidelines and in accordance with Article 6, paragraph 1, letter b), of Legislative Decree no. 231 of 2001, the Company has entrusted the functions of the Supervisory Board to a sole-member body, currently Dr Emanuele Boschi. The same person has also been entrusted with the functions of Report Manager under the Whistleblowing Policy and Legislative Decree no. 24/2023 (see paragraph 3.3 above).

The same resolution appointing the Supervisory Board also established the remuneration due to that body for the assignment entrusted to it.

Once appointed, the Supervisory Board adopts its own internal regulations and establishes and updates the plan of activities to be carried out.

5.3. Duration of assignment and causes of termination

The Supervisory Board remains in office for the term indicated in the appointment deed and may be renewed.

Neither Legislative Decree no. 231/2001 nor the Confindustria Guidelines

establish a minimum or maximum term for the Supervisory Board. However, legal commentary has clarified that - in order to provide greater assurance of its independence and better promote continuity of action - it is preferable to provide for a maximum term of office, with the right of withdrawal by the Entity or by the Supervisory Board. This maximum term generally coincides with the term of other corporate bodies (usually 3 years).

The appointment of the Supervisory Board may terminate for any of the following reasons:

- expiry of the term of office;
- revocation of the Supervisory Board by the Board of Directors;
- resignation, formalised by means of a specific written notice sent to the Board of Directors;
- the occurrence of one of the causes of forfeiture referred to in paragraph 5.4 below.

The Supervisory Board may be revoked only for just cause; by way of example, the following circumstances shall constitute just cause:

- where the member of the Supervisory Board is involved in criminal proceedings concerning the commission of a crime;
- where a breach of the confidentiality obligations imposed on the Supervisory Board is established;
- serious negligence in the performance of the duties connected with the assignment;
- the possible involvement of the Company in criminal or civil proceedings connected with omitted or insufficient supervision by the Supervisory Board, including through negligence.

Revocation is ordered by resolution of the Board of Directors.

In the event of expiry, revocation or resignation, the Board of Directors shall appoint the new member of the Supervisory Board without delay, while the outgoing member shall remain in office until replacement.

5.4. Cases of ineligibility and forfeiture

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

a) lack, or subsequent loss, of the requirements of professionalism,

autonomy, independence and continuity of action;

b) disqualification, incapacity, the opening of judicial liquidation proceedings or a criminal conviction, even if not final, for one of the offences provided for by the Decree or, in any event, a sentence entailing disqualification, even temporary, from public office or incapacity to hold management positions;

c) the existence of family, marital or affinity relationships up to the fourth degree with members of the Board of Directors or with external persons appointed to carry out the audit;

d) the existence of financial relationships between the member and the Company such as to compromise the member's independence;

e) being subject to preventive measures ordered by the judicial authorities, or disqualification, incapacity, the opening of judicial liquidation proceedings, disqualification, even temporary, from public office or incapacity to hold management positions;

f) pending criminal proceedings, or a conviction or plea-bargaining judgment pursuant to Articles 444 et seq. of the Italian Code of Criminal Procedure, even if not final, in relation to offences provided for by the Decree or other offences of the same nature;

g) a conviction or plea-bargaining judgment pursuant to Articles 444 et seq. of the Italian Code of Criminal Procedure in criminal proceedings, or an administrative conviction measure, even if not final, issued against the Company in relation to offences provided for by the Decree, from which omitted or insufficient supervision by the Supervisory Board emerges, as provided for by Article 6, paragraph 1, letter d), of the Decree;

h) a serious breach of the member's duties as defined in the Model (including confidentiality obligations), or serious reasons of expediency that prevent the member from performing the assigned tasks diligently and effectively or prejudice the member's autonomy of judgment in exercising the assigned functions;

i) failure to participate in at least 80% (eighty per cent) of the meetings of the Supervisory Board, or inability to perform the assignment for a period exceeding 6 months.

If, during the term of office, a cause of forfeiture occurs, the member of the Supervisory Board must immediately inform the Board of Directors.

5.5. Functions, tasks and powers of the Supervisory Board

In accordance with the indications provided by the Decree and the Guidelines, the function of the Supervisory Board consists, in general, of:

- supervising the effective application of the Model in relation to the various types of offences covered by it;
- verifying the effectiveness of the Model and its actual ability to prevent the commission of the offences in question;
- identifying and proposing to the Board of Directors updates and amendments to the Model in relation to changes in legislation or changes in business needs or circumstances;
- verifying that the update and amendment proposals made by the Board of Directors have actually been incorporated into the Model.

Within the scope of the function described above, the Supervisory Board has the following tasks:

- periodically verifying the map of the Areas at Risk of Offences and the adequacy of the control points in order to allow them to be adapted to changes in the Company's activities and/or structure. For this purpose, the Addressees of the Model, as further described in its Special Sections, must report to the Supervisory Board any situations capable of exposing the Company to the risk of offences. All communications must be made in writing and sent to the dedicated e-mail address activated by the Supervisory Board;
- periodically carrying out, on the basis of the previously established activity plan of the Supervisory Board, targeted checks and inspections on specific transactions or acts carried out within the Areas at Risk of Offences;
- collecting, processing and storing information (including the reports referred to in the following paragraph) relevant to compliance with the Model, as well as updating the list of information that must mandatorily be sent to the Supervisory Board;
- conducting internal investigations to ascertain alleged violations of the provisions of this Model brought to the attention of the Supervisory Board through specific reports or emerging during its supervisory activity;
- verifying that the elements provided for in the Model for the different

types of offences (standard clauses, procedures and related controls, system of delegations, etc.) are actually adopted and implemented and meet the requirements for compliance with Legislative Decree no. 231 of 2001, otherwise proposing corrective actions and updates;

- implementing, in accordance with the Model, an effective information flow to the Management Body allowing the Supervisory Board to report on the effectiveness of and compliance with the Model;
- promoting, through the competent company structures, an adequate personnel training process by means of suitable initiatives for disseminating knowledge and understanding of the Model;
- periodically verifying, with the support of the other competent structures, the validity of the clauses aimed at ensuring compliance with the Model by the Addressees;
- communicating any violations of the Model to the competent bodies under the Sanctioning System for the purpose of adopting any sanctioning measures and monitoring their outcome.

For the performance of the functions and tasks indicated above, the Supervisory Board is granted the following powers:

- broad and detailed access to the various company documents and, in particular, to those concerning contractual and non-contractual relationships established by the Company with third parties;
- making use of the support and cooperation of the various company structures and corporate bodies that may be affected by, or otherwise involved in, the control activities;
- assigning specific consultancy and assistance engagements to professionals, including persons external to the Company.

5.6. Resources of the Supervisory Board

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

5.7. Information flows to the Supervisory Board

5.7.1. Information obligations vis-a-vis the Supervisory Board

In order to facilitate supervision of the effectiveness of the Model, the Supervisory Board must be informed, through specific reports by the Addressees (and, where appropriate, by Third Parties), of events that could give rise to C.M.C.'s liability pursuant to Legislative Decree no. 231 of 2001.

Information flows to the Supervisory Board are divided into general information and specific mandatory information.

In the first case, the following requirements apply:

- the Addressees are required to report to the Supervisory Board information concerning the commission, or reasonable belief that offences have been committed, or practices not in line with the procedures and rules of conduct issued or to be issued by the Company;
- Third Parties are required to make reports concerning the commission, or reasonable belief that offences have been committed, within the limits and according to the methods provided for by contract;
- Third Parties are required to make any reports directly to the Supervisory Board.

In addition to the reports concerning general violations described above, the following information must mandatorily and promptly be sent to the Supervisory Board:

- measures and/or information from criminal police bodies or any other authority concerning investigations involving the Company and/or members of the corporate bodies;
- reports, if any, prepared by the heads of other bodies in the course of their control activities from which facts, acts, events or omissions may emerge that are critical with respect to compliance with Legislative Decree no. 231 of 2001;
- information concerning disciplinary proceedings, any sanctions imposed, or measures closing such proceedings with the related reasons, where they are linked to the commission of offences or violation of the rules of conduct or procedures of the Model;
- commissions of inquiry or internal reports/communications from which liability emerges for the offences referred to in Legislative Decree no. 231 of 2001;

- organisational changes;
- updates to the system of delegations and powers;
- particularly significant transactions carried out within the Areas at Risk of Offences;
- changes in the Areas at Risk of Offences or potentially at-risk areas;
- any communications from the Board of Statutory Auditors (where that body does not coincide with the Supervisory Board) concerning matters that may indicate deficiencies in the internal control system, objectionable facts, or observations on the Company's financial statements;
- the declaration of truthfulness and completeness of the information contained in corporate communications.

The Company adopts specific dedicated information channels in order to guarantee the confidentiality referred to above and facilitate the flow of reports and information to the Supervisory Board.

The Supervisory Board assesses reports received with discretion and responsibility. For this purpose, it may hear the author of the report and/or the person responsible for the alleged violation, stating in writing the reasons for any independent decision not to proceed. In any event, reporting persons acting in good faith shall be protected from any form of retaliation or penalty and the utmost confidentiality shall be ensured, without prejudice to legal obligations and the need to protect the Company or persons wrongly accused or accused in bad faith.

5.7.2. Information obligations of the Supervisory Board

Without prejudice to the fact that responsibility for adopting and effectively implementing the Model remains with the Company's Board of Directors, the Supervisory Board reports on implementation of the Model and on any critical issues that arise.

In particular, the Supervisory Board is responsible for:

- communicating, at the beginning of each financial year, the plan of activities it intends to carry out in order to fulfil the tasks assigned to it;
- periodically communicating the progress of the programme together with any changes made to it;
- promptly communicating any issues connected with the activities, where relevant;

- reporting, at least every six months, on implementation of the Model.

The Supervisory Board may request to be convened by the Directors or the Board of Directors to report on the operation of the Model or on specific situations. Meetings with the corporate bodies to which the Supervisory Board reports must be recorded in minutes. Copies of such minutes shall be kept by the Supervisory Board and by the bodies involved from time to time.

Without prejudice to the above, the Supervisory Board may also communicate, taking account of the individual circumstances:

(i) the results of its investigations to the heads of the functions and/or processes where the activities reveal matters capable of improvement. In such cases, the Supervisory Board must obtain from the process owners an action plan, with the related timetable, for implementing the activities capable of improvement, together with the outcome of such implementation;

(ii) reporting to the Board of Directors conduct/actions not in line with the Model in order to:

a) obtain from the Directors or the Board of Directors all elements necessary for any communications to the structures responsible for assessing and applying disciplinary sanctions;

b) provide indications for remedying deficiencies so as to prevent recurrence of the event.

5. SANCTIONING SYSTEM FOR FAILURE TO COMPLY WITH THIS MODEL AND THE RULES/PROVISIONS REFERRED TO THEREIN

6.1. General principles

The Company acknowledges and declares that establishment of an appropriate sanctioning system for violations of the rules contained in the Model (General Section and Special Sections), in the related Annexes (including the Code of Ethics) and in the Procedures is an essential condition for ensuring the effectiveness of the Model itself.

In this regard, Article 6, paragraph 2, letter e), of the Decree provides that organisation and management models must "introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model".

With reference to the Company's employees, it is specified that the application of disciplinary sanctions is independent of the outcome of any criminal proceedings, since the rules of conduct imposed by the Model and the Procedures are adopted by the Company with full autonomy and independently of the type of offences under Legislative Decree no. 231 of 2001 that the violations in question may constitute. More specifically, failure to comply with the rules contained in the Model and in the Procedures, in itself, undermines the relationship of trust with the Company and entails disciplinary action regardless of whether criminal proceedings are instituted where the violation constitutes an offence. This is also in compliance with the principles of promptness and immediacy of the disciplinary charge and imposition of sanctions, in accordance with applicable law.

6.2. Definition of "Violation" for the purposes of the operation of this Sanctioning System

By way of general and non-exhaustive example, the following constitutes a "Violation" of this Model and the related Procedures:

- violation of the prohibitions and obligations of the Code of Ethics;
- violation of the internal procedures provided for by the Model, by engaging in conduct consisting of tolerance of irregularities or failure to comply with duties or obligations, resulting in prejudice to the interests of CMC;
- violation of the internal procedures provided for by the Model or, in carrying out activities in the areas at risk, adoption of conduct not compliant with the provisions of the Model itself, where such conduct consists in refusal to carry out orders concerning obligations, habitual negligence or habitual failure to comply with laws, regulations or obligations in the performance of work, or, in general, any deliberate negligence or failure to comply with laws, regulations or obligations that is not otherwise sanctionable;
- adoption, in carrying out activities in the areas at risk, of conduct not compliant with the provisions of the Model, where such conduct amounts to irregularity, carelessness or negligence, or failure to comply with laws, regulations or obligations resulting in prejudice to the safety and regularity of the service, with serious damage to the assets of CMC or third parties;
- adoption, in carrying out activities in the areas at risk, of conduct manifestly in breach of the provisions of the Model and capable of resulting in the actual

application to CMC of measures provided for by Legislative Decree no. 231, where such conduct amounts to an intentional breach of laws, regulations or official duties that may cause or has caused serious prejudice to CMC or third parties;

- failure to cooperate with the Supervisory Board or its operational staff through omissions, obstructive conduct or other conduct capable of preventing or even merely hindering its control, investigation and verification functions;
- submission to the Supervisory Board or to the Report Manager, wilfully or through gross negligence, of reports that subsequently prove to be unfounded;
- retaliatory or discriminatory conduct against persons who have made reports under Legislative Decree no. 24/2023 or to the Supervisory Board and, more generally, violation of the measures protecting the reporting person;
- commission, including in attempted form, of acts defined by law as offences that may give rise to CMC's liability pursuant to Legislative Decree no. 231;
- implementation of actions or conduct not compliant with the provisions of the Model, or omission of actions or conduct required by the Model, in carrying out sensitive or instrumental activities that:
    1. expose CMC to an objective situation of risk of commission of one of the offences contemplated by Legislative Decree no. 231 and/or
    2. are unequivocally directed at committing one or more offences contemplated by Legislative Decree no. 231, as subsequently supplemented; and/or
    3. are such as to result in the application to CMC of sanctions provided for by Legislative Decree no. 231, as subsequently supplemented.
- with particular reference to health and safety at work offences: omissions in compliance with, implementation or control of, or violations of, the rules protecting health and safety at work under Legislative Decree no. 81/08, as subsequently amended, that may constitute a source of the specific negligent Predicate Offences under Articles 589 and 590, paragraphs 2 and 3, of the Italian Criminal Code;
- failure, without adequate justification, to participate in training programmes implemented by CMC on matters relating to Legislative Decree no. 231.

With particular reference to Top Managers, in order to make the prohibited conduct immediately understandable, the main relevant violations of the Model are specified below:

- failure to comply with protocols and procedures for planning the formation of decisions of the Management Body in the activities of the function;
- failure to comply with the procedures and/or processes for implementing decisions of the Management Body in organisational activities;
- failure to comply with the methods and procedures established for acquiring and managing financial resources designed to prevent Predicate Offences;
- failure to comply with the obligation to document the stages provided for by procedures and protocols in functions and processes at risk of Predicate Offences;
- conduct obstructing or circumventing the controls of the Supervisory Board, including unjustified prevention of access to information and documentation by persons responsible for controls;
- omission in compliance with, implementation or control of, or violation of, the rules protecting health and safety at work under Legislative Decree no. 81/08, as subsequently amended, that may constitute a source of the specific negligent Predicate Offences under Articles 589 and 590, paragraphs 2 and 3, of the Italian Criminal Code;
- violations of the specific obligation to supervise Subordinates;
- multiple unjustified and repeated violations of the protocols of the Model and its implementation for continuous updating;
- failure to report non-compliance and irregularities committed also by Top Managers;
- failure to assess and promptly take measures concerning reports and requests for action raised by the Supervisory Board in activities falling within the competence of Top Managers.

The sanction actually adopted by the Company must be proportionate to the violation, balancing the infringing conduct against the disciplinary consequence, on the basis of the following parameters:

- the level of responsibility and autonomy of the offender;
- the possible existence of previous disciplinary measures against the offender;
- the intentional nature of the conduct and its seriousness, understood as

the level of risk to which the Company may reasonably consider itself exposed as a result of the censured conduct;

- any other particular circumstances in which the violation occurred.

6.3 Sanctions for employees

Conduct by employees in violation of the rules contained in this Model and in the Company Procedures constitutes a disciplinary offence.

As stated above, the sanctioning system may be applied by the Company to employees regardless of whether an investigation or criminal proceeding is initiated and regardless of its outcome.

This Model will be posted in a place accessible to all employees pursuant to Article 7 of Law no. 300/1970 (the so-called "Workers' Statute") and will be available to all employees from the Company's Human Resources Function. Employees will be required to sign and return to the Company a specific form acknowledging that the Model is available on the Company's website and undertaking to comply with the contents of the aforementioned rules. This Model has no time limit on its validity and may be amended by the Company, subject to communication of the amendments to all employees. Any such amendments shall be deemed known 24 hours after this Model, as amended, is posted in a place accessible to all employees.

Employees are therefore invited to read this document carefully and comply strictly with its instructions, promptly reporting to the Company any interpretative doubts or issues concerning its application.

Any violations of the rules indicated in the Model and in the Procedures may therefore result, against the employee found to be in breach, in the application of disciplinary and/or compensatory measures in accordance with the collective rules in force at the Company, applicable law and applicable collective bargaining agreements.

Since the Company may be prosecuted and sanctioned as a result of employees' conduct, it reserves the right to seek recourse against them for any damage, indemnity, other payment or expense that the Company is required to bear, despite itself, as a result of unlawful or illegitimate conduct.

Employees are reminded that they are required to comply with the obligations arising from application of this Model, the Company Regulations and the National Collective Bargaining Agreement for the metalworking sector

(hereinafter, for brevity, the "C.C.N.L."), in compliance with the procedures provided for by Article 7 of Law no. 300 of 1970 (hereinafter, for brevity, the "Workers' Statute") and by law (and in particular Articles 2104, 2105 and 2106 of the Italian Civil Code).

Lastly, it is specified that the disciplinary system is constantly monitored by the Supervisory Board.

6.3.1. Employees

Violations by employees of the rules of this procedure may, depending on the seriousness of the violation committed and the circumstances, result in the adoption of the following disciplinary measures:

a) verbal reprimand;
b) written reprimand;
c) fine not exceeding the amount of 4 hours of normal remuneration;
d) suspension from work and pay for a maximum of 10 days;
e) disciplinary dismissal without notice.

The above sanctions shall be imposed as specified below:

a) ***Verbal reprimand***

A verbal reprimand may be imposed for the least serious breaches.

b) ***Written reprimand***

A written reprimand may be imposed (by way of example and without limitation):

- unless they constitute a particularly serious violation, for infringements which, due to their minor nature, do not warrant a more serious sanction (fine, suspension or dismissal);
- in the event of repetition of infringements that resulted in a verbal reprimand.

c) ***Fine***

A fine may be imposed (by way of example and without limitation):

- on an employee who commits one of the following infringements:
  i. delays the start of work without justification, for an amount equal to the corresponding deduction;
  ii. performs assigned work negligently;
  iii. is absent from work for up to three days in a calendar year without proven justification;

iv. fails to notify the Company immediately of any change of residence, whether during service or while on leave;

- in the event of repetition of infringements that resulted in a written reprimand.

d) ***Suspension from work and pay***

Suspension from work and pay may be imposed (by way of example and without limitation):

- on an employee who commits one of the following infringements:
  i. causes damage, for which responsibility is proven, to items provided for the employee's use;
  ii. reports for work in a state of manifest intoxication;
  iii. commits, more than three times in a calendar year, any repeated infringement for which a fine is provided, except in the case of unjustified absence;
- in all other cases of repetition of infringements that resulted in a fine.

e) ***Disciplinary dismissal without notice***

Disciplinary dismissal without notice may be imposed (by way of example and without limitation):

- on an employee who commits one of the following infringements:
  i. unjustified absence for more than three days in a calendar year;
  ii. repetition of unjustified lateness more than five times in a calendar year, after formal written warning;
  iii. serious breach of confidentiality obligations relating to company organisation techniques and production methods;
  iv. violation of statutory rules concerning safety in processing, storage, sale and transport;
  v. breach of trust, competition, breach of official secrecy; carrying out, in competition with the Company's business, work on one's own behalf or on behalf of third parties outside working hours;
  vi. repetition, more than three times in a calendar year, of any infringement for which suspension is provided, without prejudice to the provisions relating to repeated lateness;
- in cases of repetition of infringements that resulted in suspension;

- against employees guilty of breaches relating to duties not specifically referred to in this procedure, where such breaches are so serious that the employment relationship cannot continue even temporarily.

In any event, any right to compensation for damage caused to the Company by the employee's conduct is reserved.

The disciplinary sanctions referred to in this paragraph must be adopted in compliance with the limits of Article 2106 of the Italian Civil Code, Article 7 of Law no. 300 of 20 May 1970 and the applicable C.C.N.L.

Any disciplinary measure adopted must be communicated to the employee by registered letter within 15 days after expiry of the period granted to the employee for submitting counterarguments. If required due to difficulties in assessing the counterarguments and deciding the merits, that period may be extended by 30 days, provided that the Company gives the Employee prior written notice.

6.3.2. Executives

The provisions of Section 6.3.1 also apply to Executives, insofar as compatible.

It is in any event understood that, in the event of violation by employees holding executive positions of the general principles of the Model or of the Company Procedures, the Company shall take against those responsible the measures deemed appropriate according to the significance and seriousness of the violations committed, also taking into account the particular fiduciary relationship underlying the employment relationship between the Company and the employee holding executive status.

The sanctions that may be imposed shall be adopted and applied in compliance with the procedures provided for by the national and company collective rules applicable to the employment relationship.

Where the Executive's conduct is such as to constitute a serious breach of discipline and/or diligence at work and to fundamentally undermine the Company's trust in the perpetrator, such as the adoption of conduct unequivocally directed at committing an offence or creating the appearance of an offence to the detriment of the Company, as well as repeated violations of the Company's operating Procedures, the Company shall terminate the employment agreement without notice pursuant to Article 2119 of the Italian Civil Code and the applicable C.C.N.L., or apply another sanction deemed appropriate in relation to the seriousness of the act. This is because the act itself must be

considered to have been carried out against the Company's will, in the interest or to the advantage of the Executive and/or third parties.
Where appropriate, the Company may also claim compensation for damages.

6.4. Directors

In the event of a Violation of the rules referred to in paragraph 6.2 above by one or more Directors of C.M.C., the following sanctions shall apply:

- written reprimand;
- formal warning to comply strictly with the provisions of the Model;
- revocation from office.

6.5. Statutory Auditors

In the event of a Violation of the rules referred to in paragraph 6.2 above by one or more members of the Board of Statutory Auditors, the following sanctions shall apply:

- formal warning to comply strictly with the provisions of the Model;
- revocation from office.

6.6. Third Parties: collaborators, agents and external consultants

In the event of a Violation of the rules referred to in paragraph 6.2 above by collaborators, agents or external consultants or, more generally, Third Parties, the following sanctions shall apply:

- formal warning to comply strictly with the provisions of the Model, failing which the penalty indicated below shall apply or the contractual relationship with the Company shall be terminated;
- application of a contractually agreed penalty equal to 10% of the consideration agreed in favour of the Third-Party Addressee;
- immediate termination of the contractual relationship with the Company.

For this purpose, the Company has provided for the inclusion of specific clauses in the relevant agreements providing for: (a) information to Third Parties concerning C.M.C.'s adoption of the Model and the Code of Ethics, which they declare that they have reviewed, undertaking to comply with their contents and

not to engage in conduct that could result in a breach of the law or the Model or in the commission of any Predicate Offence; (b) the Company's right to withdraw from the relationship or terminate the agreement (with or without application of penalties) in the event of failure to comply with such obligations.

6.7. Register

The Company maintains a register in which all persons who have committed a Violation pursuant to paragraph 6.2 above must be entered; the register may be accessed only by the competent company functions.

6.8. Procedure for the imposition of sanctions

This Section sets out the procedure to be followed when imposing sanctions resulting from any commission of the violations provided for in paragraph 6.2.
In particular, the Company has outlined a procedure for imposing sanctions with regard to each category of Addressees, indicating for each:

- the stage of notifying the violation to the person concerned;
- the stage of determining and subsequently imposing the sanction.

In any event, the sanctioning procedure begins when the competent company bodies indicated below receive the communication by which the Supervisory Board reports that a violation of the Model has occurred.
More specifically, whenever the Supervisory Board receives a report (including an anonymous report) or, in the course of its supervisory and verification activities, obtains elements capable of indicating a risk of violation of the Model, it is required to act in order to carry out the investigations and controls falling within the scope of its activities.
Once the verification and control activities have been completed, the Supervisory Board assesses, on the basis of the information in its possession, whether a violation of the Model has actually occurred.
If so, it reports the violation to the competent company bodies; if not, it forwards the report to the Head of Human Resources for the purpose of assessing any relevance of the conduct under other applicable laws or regulations.

6.8.1. The procedure for imposing sanctions on Directors

If a violation of the Model by a person holding the office of Director is established, the Supervisory Board sends to the Board of Statutory Auditors and the Board of Directors a report containing:

- a description of the conduct identified;
- an indication of the provisions of the Model that have been violated;
- details of the person responsible for the violation;
- any documents proving the violation and/or other supporting evidence;
- its proposal concerning the sanction appropriate to the specific case.

Within ten days of receipt of the Supervisory Board's report, the Board of Statutory Auditors convenes the member identified by the Supervisory Board and the other members of the Board of Directors for a meeting to be held no later than thirty days from receipt of the report.

The notice of meeting must:

- be made in writing;
- indicate the conduct complained of and the provisions of the Model that have been violated;
- inform the person concerned of the date of the meeting and of the right to submit any comments and/or arguments, both written and oral.

At the meeting, which the Supervisory Board is also invited to attend, the person concerned is heard, any arguments submitted by that person are acquired, and any further investigations deemed appropriate are carried out.

On the basis of the information obtained, the Board of Statutory Auditors and the Board of Directors determine the sanction deemed applicable, giving reasons for any disagreement with the proposal made by the Supervisory Board.

Where the sanction deemed applicable consists in revocation from office, the relevant resolution is adopted. The resolution is communicated in writing to the person concerned and to the Supervisory Board for the appropriate checks.

6.8.2. The procedure for imposing sanctions on Executives

If a violation of the Model by an Executive is established, the procedure for ascertaining the offence shall be carried out in compliance with applicable statutory provisions and collective bargaining agreements.

In particular, the Supervisory Board sends to the Legal Representative, the Board of Directors, the Board of Statutory Auditors and the Human Resources Department a report containing:

a description of the conduct identified;
an indication of the provisions of the Model that have been violated;
details of the person responsible for the violation;
any documents proving the violation and/or other supporting evidence;
its proposal concerning the sanction appropriate to the specific case.

Within five days of receipt of the Supervisory Board's report, the Chairman of the Board of Directors convenes the relevant senior manager for a meeting of the Management Body by sending a specific written notice containing:
an indication of the conduct identified and of the provisions of the Model that have been violated;
notice of the date of the meeting and of the right of the person concerned to make any comments and/or submissions, including at that meeting, both in writing and orally.

At the meeting of the Management Body, which the Supervisory Board is also invited to attend, the relevant senior manager is heard, any submissions made by that person are acquired, and any further investigations deemed appropriate are carried out.

Following any hearing of the person concerned, the Board of Directors decides on determination and actual imposition of the sanction, giving reasons for any disagreement with the proposal made by the Supervisory Board.

The measure imposing the sanction is communicated in writing to the person concerned by the Chairman of the Board of Directors within ten days of sending the notice of charge, or within any shorter period provided for by the collective bargaining rules applicable in the specific case.

The Chairman of the Board of Directors, together with the Human Resources Department, also ensures the effective imposition of the sanction in compliance with laws and regulations and the provisions of collective bargaining agreements and company regulations, where applicable.

The Supervisory Board, to which the measure imposing the sanction is sent for information, verifies its application.

6.8.3. The procedure for imposing sanctions on employees

If the Supervisory Board establishes a violation of the Model by an employee, the procedure for ascertaining the offence shall be carried out in compliance with

Article 7 of the Workers' Statute and the applicable collective bargaining agreements.

In particular, the Supervisory Board sends to the Board of Directors, the Board of Statutory Auditors and the Human Resources Department a report containing:

a description of the conduct identified;

an indication of the provisions of the Model that have been violated;

details of the person responsible for the violation;

any documents proving the violation and/or other supporting evidence;

its proposal concerning the sanction appropriate to the specific case.

Within five days of receipt of the Supervisory Board's report, the Company, through the Human Resources Department, notifies the employee concerned of the violation identified by the Supervisory Board by written communication containing:

a precise indication of the conduct complained of and of the provisions of the Model that have been violated;

notice of the right to submit any written arguments and/or justifications within eight days of receipt of the communication, as well as to request the involvement of a representative of the trade union association to which the employee belongs or gives a mandate.

Following any counterarguments of the employee concerned, the Human Resources Department decides on determination and application of the sanction, giving reasons for any disagreement with the proposal made by the Supervisory Board.

In any event, disciplinary measures may not be applied before eleven days have elapsed from receipt of the notice of charge by the employee concerned and must be notified to the employee by the Human Resources Department no later than eight days after expiry of the period granted for submitting written arguments and/or justifications, without prejudice to any different and longer period connected with cases of particular complexity.

The Human Resources Department ensures effective application of the sanction in compliance with laws and regulations and the provisions of collective bargaining agreements and company regulations, where applicable.

The Supervisory Board, to which the measure imposing the sanction is sent for information, verifies its application.

6.8.4. The procedure for imposing sanctions on members of the Board of Statutory Auditors

If a violation of the Model by a member of the Board of Statutory Auditors is established, the Supervisory Board sends to the Board of Directors a report containing:

a description of the conduct identified;

an indication of the provisions of the Model that have been violated;

details of the person responsible for the violation;

any documents proving the violation and/or other supporting evidence;

its proposal concerning the sanction appropriate to the specific case.

Within ten days of receipt of the Supervisory Board's report, the Chairman of the Board of Directors convenes the member identified for a meeting in which the Shareholders' Meeting will also participate, to be held no later than thirty days from receipt of the report.

The notice of meeting must:

be made in writing;

indicate the conduct complained of and the provisions of the Model that have been violated;

inform the person concerned of the date of the meeting and of the right to submit any comments and/or arguments, both written and oral.

At the meeting, the following are arranged:

hearing of the person concerned;

acquisition of any arguments submitted by that person;

carrying out any further investigations deemed appropriate.

On the basis of the information obtained, the Board of Directors determines the sanction deemed applicable, giving reasons for any disagreement with the proposal made by the Supervisory Board as described above.

Where the sanction deemed applicable consists in revocation from office, the Chairman of the Board of Directors convenes the Shareholders' Meeting for the relevant resolutions.

The resolution is communicated in writing by the Management Body to the person concerned and to the Supervisory Board for the appropriate checks.

6.8.5. The procedure for imposing sanctions on Third Parties: collaborators, agents and external consultants

If it establishes a violation of the Model by a Third Party among those indicated in paragraph 6.6, the Supervisory Board sends to the Legal Representative, the Board of Statutory Auditors and the Function Manager delegated to manage the contractual relationship in question a report containing:

a description of the conduct identified;

an indication of the provisions of the Model that have been violated;

details of the person responsible for the violation;

any documents proving the violation and/or other supporting evidence;

its proposal concerning the sanction appropriate to the specific case.

Within ten days of receipt of the Supervisory Board's report, the Manager of the relevant function decides on determination and actual application of the measure, giving reasons for any disagreement with the proposal made by the Supervisory Board.

The Function Manager then sends the person concerned a written communication indicating the conduct complained of and the provisions of the Model that have been violated, as well as the applicable contractual remedy.

The final measure imposing the sanction is communicated in writing to the person concerned by the Manager of the relevant function, who also ensures effective application of the sanction in compliance with laws and regulations.

The Supervisory Board, to which the communication is sent for information, verifies application of the applicable contractual remedy.