ORGANIZATION, MANAGEMENT AND CONTROL MODEL

GBE S.p.A.

In accordance with **the Decree Law dated 8 June 2001, n. 231**

Amendments

Rev.	Reason of the amendment	BoD resolution date
00	First issue	30/06/2014
01	Amendment and update (11/03/2020)	25/07/2020

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1. DEFINITIONS

GBE (or the Company)	It refers to the Italian company GBE S.P.A. with registered office in Via Teonghio, 44 - 36040 Orgiano (VI).
Ethical Code	It refers to the set of principles and rules of conduct adopted by GBE S.P.A. towards internal members of the Company and stakeholders (natural and/or legal individuals who have, in any capacity, relations with the Company) in order to consolidate a business ethics, even independently of the provisions of the law, promoting, recommending or prohibiting certain behaviours.
Decree (or D.lgs. 231/2001)	It refers to the Decree Law dated 8 June 2001, n. 231, as subsequently amended and supplemented.
Recipients	It refers to the subjects required to comply with the provisions contained in the Model, in particular: all those who operate in the name and on behalf of GBE, including but not limited to directors, auditors, members of any other corporate bodies, employees, collaborators – even occasional, commercial partners, suppliers, agents, as well as members of the Surveillance Body.
Bodies or Body	Pursuant to art. 1 of the Decree, it refers to the entities with legal personality, companies and associations, including those without legal personality, to which the provisions of the Decree apply;
Guidelines	It refers to the Guidelines for the construction of the organization, management and control models pursuant to Legislative Decree 231/2001 published by Confindustria in the most recent revision (March 2014);
Model	It refers to the organization, management and control model adopted by the Company;
Surveillance Body	It refers to the body provided for by art. 6 of Legislative Decree. 231/01, which is entrusted with the task of supervising the adequacy, functioning and observance of the Model, taking care of its updating;
Sensitive Areas and Processes	It refers to the business sectors and the specific activities of GBE in which there is a risk of committing one of the Predicate Offenses referred to in the Decree.
Crimes Assumption	It refers to the crimes whose commission is a prerequisite for the administrative liability of the Entity introduced by the Decree. These are, in particular, the criminal offenses identified by articles 24 et seq. of the Decree;

Testo Unico	It refers to the Legislative Decree 9 April 2008 n. 81., so-called Consolidated Law on the protection of health and safety in the workplace and subsequent amendments and additions;
TUF	It refers to the Legislative Decree February 24, 1998 n. 58, c.d. Consolidated Law on financial intermediation and subsequent amendments and additions.

2. N. 231 DECREE LAW DATED 2001

2.1 The "administrative" responsibility of the Bodies

On July 4th 2001 it came into force - in implementation of the Delegation Law of 29 September 2000, no. 300 - the Legislative Decree 8 June 2001, n. 231, containing the new "Discipline of administrative liability of legal persons, companies and associations, including those without legal personality". Subject to continuous changes and additions (the last of which was made by the Decree of 18.12.2018, n. 1189-B), the Decree is part of a broader regulatory path, aimed at adapting the national legislation on liability of legal persons to some international conventions to which Italy has long adhered (such as the Brussels Convention of 26 July 1995, on the protection of the financial interests of the European Community; the Brussels Convention of 26 May 1997, on the fight against corruption of of the European Communities and Member States; the OECD Convention of 17 December 1997 on the fight against corruption of foreign public officials in economic and international transactions).
The Ministerial Report accompanying the Decree (hereinafter, the "Report") in fact underlines how the legal person must now be considered "" as an autonomous centre of interests and legal relationships, a point of reference for precepts of various kinds, and of decisions and activities of subjects who operate in the name, on behalf or in any case in the interest of the Entity ". And it is hard to see why the equalization between entities and individuals should not go so far as to invest also in the area of criminally relevant behaviours "(Point 1, Report). On the basis of this finding, the Legislator has therefore introduced for the first time in our legal system a liability regime for Entities, which is configured when certain crimes (Predicate Crimes) are committed by subjects linked in various capacities to the Entity (Senior Managers or Subordinates), in the interest or to the advantage of the latter.
Although the Decree qualifies the liability in question as "administrative", the Report specified that this liability - since it derives from a crime and is linked (by express provision of the law) to the guarantees of the criminal trial - diverges in many points from the paradigm of the offense administrative traced by LAW 689 of 1981, "with the consequence of giving rise to the birth of a tertium genus that combines the essential features of the penal and administrative systems, in an attempt to reconcile the reasons for the preventive efficacy with those, even more unavoidable , of the maximum guarantee "(Point 1.1, Report).
The Decree therefore introduced an "administrative liability depending on a crime" for the Entities, in which the unlawful act, although committed by a natural person, is in any case a "proper" fact also of the legal person, by virtue of the relationship of organic identification that exists between the Entity and the material perpetrator of the crime, having acted within the scope of its corporate competencies and in the interest of the Entity, as a body and not as a subject distinct from it. Responsibility pursuant to Legislative Decree 231/01 is therefore configured as a direct liability of the Entity pursuant to article 2043 of the Civil Code (and not objective due to the acts of others, pursuant to art. 2049 of the Civil Code), which sanctions the death of the dogma "societas delinquere non potest ".

2.2 Entities recipient of the Decree

Pursuant to Article 1 of the Decree, the provisions contained therein apply exclusively to "entities with legal personality and to companies and associations, including those without legal personality" (Paragraph 1), not being applied with reference to "State, territorial bodies, other non-economic public bodies and bodies that perform functions of constitutional importance "(Paragraph 3). Behind the apparent semantic clarity, these formulas actually hide not a few interpretative pitfalls. The jurisprudence has therefore intervened to better clarify the scope of application of the Decree, identifying which recipient bodies:

- Single-member companies (Criminal Court, Section III, no. 15657 of April 20, 2011);
- Cooperative companies (Criminal Court, section VI, no. 32627 of 02 October 2006);
- Professional studies (Cass. Criminal, Section II, no. 4703 of January 14, 2011);
- Private entities that perform a public service (Cass. Pen., Section III, n. 234 of October 26, 2010);
- Foundations (Milan Court, section XI, June 26, 2008);
- ONLUS (Milan Court, n. 820 of 03 April 2011);

- A.T.I. - Temporary Business Association (Cass. Pen., SS.UU., n. 26654 of 2 July 2008);
- Group of companies and holding companies (Criminal Court, Section V, no. 24583 of June 20, 2011);
- Foreign companies operating in Italy, regardless of whether or not they have a secondary office or an establishment in Italy (Court of Milan, 27 April 2004; Court of Lucca no. 222/2017).

The provisions of the Decree, however, do not apply with reference to:

- State and local public bodies: this category also includes Regions, Provinces, Municipalities, Metropolitan Cities and Mountain Communities, the exclusion of which generates a justifiable free zone in light of the delicate consequences that would have the impact, on these subjects, of the disqualification sanctions provided by the Decree.
- Non-economic public bodies: "the delegating Legislator had as its aim the repression of illicit behaviour in the performance of activities of a purely economic nature, that is assisted by profit purposes, with the consequence of excluding all those public bodies that pursue and look after public interests regardless of profit-making purposes "(Point 2, Report).
- Entities performing constitutional functions: these are trade unions and political parties, excluded from the scope of the Decree as the sanctions provided for therein could be used in an instrumental way to suppress political or trade union dissent.

2.3 Attribution criteria

Administrative liability dependent on a crime, configured for the Entities by art. 5 of the Decree, arises exclusively in the event that certain subjects, who hold top positions or subordinates in the Entity, have committed, in the interest or to the advantage of the latter, some of the specific Prerequisite Offenses identified in Articles 24 and ss. of the Decree.

2.3.1 Senior Managers and Subordinates

The first prerequisite for applying the liability of the Entities is the functional relationship that must bind the natural person responsible for the Predicate Crime and the Entity (so-called "organic identification"). In particular, art. 5 of the Decree identifies a double category of possible material perpetrators of the Predicate Offense:

Top Managers: "persons who hold representative, administrative or management functions of the Entity or one of its organizational units with financial and functional autonomy, as well as persons who exercise, even de facto, the management and control of the same" (Paragraph 1, letter a). The heterogeneity of the Bodies (in terms of size and market in which they operate) and the numerous organizational structures of reference, have led the Legislator to opt for a flexible definition of "Senior Man", avoiding mandatory lists. With this in mind, the formula set out in art. 5, lett. a) of the Decree must be projected only towards those subjects who exercise a penetrating dominion over the Entity through (i) the formal exercise of representative functions (concept linked to the manifestation of the will of the Entity towards the outside negotiation deeds), administration (concept linked to the power to manage and control the material resources of the Entity) or management (concept linked to the power to manage and control the Entity's personnel) or (ii) the cumulative exercise of de facto functions management and control. The Top Managers of the Entity are equated by art. 5 of the Decree to those who have the same functions in an "organizational unit endowed with financial and functional autonomy" of the same Entity, allowing interpreters to include plant managers among the Top Managers, figures who in medium-large companies they are often endowed with strong managerial autonomy and removed from the control of the central offices. Conversely, the exercise of a control function similar to that performed by the statutory auditors remains excluded from the orbit of the provision in question (Point 3.2, Report).
Subordinates: "persons subject to the management or supervision of one of the Top Managers" (Paragraph 1, letter b). The subjective sphere of subordinates is mainly composed of the ranks of employees, in various capacities

included in the company organization chart. The formal inclusion in the organization of the Body, however, is a normal condition but not essential for the purposes of classification in the category in question. In fact, even an "external party" who has business or professional relationships with the Entity, could theoretically be included among the Subordinates and consequently determine, with their own unlawful conduct, the liability of the Company under the Decree. This category could therefore include agents, promoters, commercial intermediaries and professionals who act on behalf of the Entity within the professional mandate received.
Assigning the perpetrator of the crime to the first or second category is an extremely important operation, because it derives fundamental consequences on the procedural side, as the Decree establishes differentiated probative rules, depending on whether the Predicate Crime was committed by Senior Managers o Underlings. In detail, in regulating the case in which the offense is committed by a Senior Person, art. 6 co. I of the Decree (in consideration of the fact that this natural person expresses, represents and implements the management policy of the Entity) carries out a complete reversal of the burden of proof, providing that the Entity must demonstrate that it has taken all the necessary measures to prevent the commission of crimes of the type committed (for a detail of these measures, see par. 2.5). In a differentiated perspective, for the case in which the offense was committed by a Subject, the burden of proof rests on the accusation, which must demonstrate that the realization of the fact was made possible by the non-compliance with the obligations of management or supervision. And the central role of the organizational model in the "231" evidential system comes to the fore in the provision of the next paragraph, where the delegated legislator specifies that "in any case, non-compliance with management or supervision obligations is excluded if the entity, before the crime was committed, it adopted and effectively implemented an organization, management and control model suitable for preventing crimes of the type that occurred ".

2.3.2 Notion of interest and advantage

The liability under the Decree arises only in the event that the Predicate Crime is committed by a Senior Person or Subordinate "in the interest or to the advantage" of the Entity (Article 5, Decree).
Interest and advantage represent two alternative and concurrent imputation criteria, as demonstrated by the disjunctive conjunction "or" that links the two terms in the normative phrase and as exemplified by the Report, according to which the criterion of "interest" expresses a teleological evaluation of the offense, appreciable "ex ante" (ie at the time of the commission of the fact), according to a markedly subjective yardstick, while the criterion of "advantage" assumes an essentially objective connotation and as such can be evaluated "ex post", based on the effects concretely derived from the committing of the offense and regardless of the original purpose of the offense (Point 3.2, Report). In other words, in order for the Entity to be held liable for the Predicate Offense, it is not essential that the Entity has actually achieved an advantage, patrimonial or otherwise, as it is sufficient that the conduct of the material author aimed objectively and concretely to achieve, in the perspective of the collective subject, the interest of the same. With this in mind, art. 5, co. II of the Decree, excludes the responsibility of the Entity when the perpetrators of the Crime (be they Senior Managers or Subordinates) have acted in their own exclusive interest or in third parties. The law stigmatizes the case of "rupture" of the organic identification scheme, referring to the hypotheses in which the crime committed by the natural person is not in any way attributable to the Entity, as it is not even partially carried out in the interest of this.
As for the issue of possible liability pursuant to Legislative Decree 231/2001 of a holding company in relation to Predicate Offenses committed within the corporate group (an aspect of particular interest, considering the top position occupied by the Company in the GBE group), the jurisprudence has clarified that "the parent company (the so-called holding) or other companies belonging to a "group" may be called to respond, pursuant to Legislative Decree 231/2001, of the offense committed in the context of the activity of a subsidiary company belonging to the same group, provided that at least one natural person who acts on behalf of the "holding" itself or of the other company belonging to the of the group, also pursuing the interests of the latter, as it is not sufficient - to legitimize an assertion of responsibility pursuant to Legislative Decree 231 of 2001 of the holding company or other company belonging to the same group - the enucleation of a generic reference to the group, or to a so-called general «group interest» ". Furthermore, no obligation to supervise and intervene is incumbent on the holding company, regardless of the extent of its shareholding and any capacity for dominant influence. It follows that any liability of the holding company can be sustained only when the criminal conduct has been carried out in execution of directives and dictates from the directors of the parent company, which not only have not prevented the commission of crimes, but have actually determined other subjects to violate the law, taking advantage of their position of supremacy.

2.3.3 Crime Assumption

The punishment of entities, in the system designed by Legislative Decree 231/2001, is not indifferently connected to the realization of any criminal offense, but is limited to the so-called "Crimes Assumption", that is, to that limited number of criminal hypotheses that the law specifically links to their responsibility. In the original formulation of the Decree, only crimes against the Public Administration were contemplated, referred to in articles 24 ("Unlawful receipt of funds, fraud against the State or a public body or for the achievement of public funds and IT fraud against the State or a public body ") and 25 (originally entitled" Extortion and corruption "). However, the regulatory dictation was supplemented by some interventions following the entry into force of the Decree, which have progressively expanded the range of Predicate Offenses to many other criminal offenses (not always attributable to the world of corporate crimes).

Introduced article	Normative reference	Type of offenses referred to
24 *BIS*	Introduced by Law no. 48 of 18 March 2008 and amended by Legislative Decree no. 7 and 8 of 15.01.2016 and Law no. 133 of 18 November 2019.	**IT crimes, Illicit data processing, Cybersecurity crimes**
24 *TER*	Introduced by Law no. 94 of 15 July 2009 and amended by Law no. 69 of 27.05.2015 and Law no. 236 of 11.12.2016.	**Offenses of organized crime**
25 *BIS*	Introduced by Decree Law no. 350/2001, converted with amendments by Law no. 409 of 23 November 2001 and amended by Law no. 99 of 23.07.2009 and Legislative Decree no. 125 of 21.06.2016.	**Crimes of false nummary**
25 *BIS*. 1	Introduced by Law no. 99 of 23 July 2009	**Crimes against industry and commerce**
25 *TER*	Introduced by Legislative Decree no. 61 of 11 April 2002, amended by Law no. 190 of 06.11.2012, by Law no. 69 of 27.05.2015 and by Legislative Decree no. 38 of 15.03.2017.	**Corporate offenses**
25 *QUATER*	Introduced by Law no. 7 of 14 January 2003	**Crimes for the purpose of terrorism**
25 *QUATER*. 1	Introduced by Law no. 7 of 9 January 2006.	**Female genital mutilation practices**
25 *QUINQUIES*	Introduced by Law no. 228 of 11 August 2003 and amended by Law no. 199 of 29.10.2016.	**Crimes against the individual**
25 *SEXIES*	Introduced by Law no. 62 of 18 April 2005	**Market abuse offenses**

25 *SEPTIES*	Introduced by Law no. 123 of 3 August 2007	**Crimes of manslaughter and serious or very serious negligent injury, committed in violation of the rules on the protection of health and safety at work**
25 *OCTIES*	Introduced by Legislative Decree no. 231 of 21 November 2007 and amended by Law no. 186 of 15.12.2014	**Crimes of receiving, laundering and use of money, goods or utilities of illicit origin as well as self-laundering**
25 *NOVIES*	Introdotto dalla Legge 23 luglio 2009, n. 99	**Crimes relating to the infringement of copyright**
25 *DECIES*	Introduced by Law no. 99 of 23 July 2009	**Crime of induction not to make statements or to make false statements to the judicial authorities**
25 *UNDECIES*	Introduced by Legislative Decree no. 121 of 7 July 2011 and amended by Law no. 68 of 22.05.2015	**Environmental crimes**
25 *DUODECIES*	Introduced by Legislative Decree no. 109 of 16 July 2012 and amended by Law no. 161 of 04.11.2017	**Crime of employment of citizens of third countries whose stay is irregular**
25 *TERDECIES*	Introduced by Law no. 167 of 20 November 2017	**Racism and xenophobia**
25 *QUATERDECIES*	Introduced by Law 03 May 2019, n. 39	**Sports fraud**
25 *QUINQUIESDECIES*	Introduced by Law no. 157 of 19 December 2019	**Tax offenses**

Law no. 146 of 16 March 2006 (Ratification and execution of the United Nations Convention and Protocols against transnational organized crime) has also extended the scope of the Decree to a series of crimes - including various associative crimes - if characterized by the requirement of " transnationality ". The Law 14 January 2013, n. 9 ("Rules on the quality and transparency of the virgin olive oil supply chain") also introduced some criminal offenses relating to food adulteration in the olive oil supply chain.

2.4 Effectiveness within the scope of Legislative Decree 231/01

In the light of the increasing internalisation of markets, the Decree has provided (article 4) that the Entity shall be liable for both alleged Offences committed in Italy and those committed abroad, provided that (i) the Entity has its head office (i.e. the actual place where the administrative and management activities are carried out) or the place where the activity is carried out on a continuous basis in the territory of the Italian State, (ii) the State of the place

where the offence was committed is not proceeding directly against the offence and (iii) the other conditions governed by Articles 7, 8, 9 and 10 of the Criminal Code are met.

2.5 Responsibilities of the Entity and conduct of exemptions

Until the entry into force of Legislative Decree no. 231/2001, the principle of the "personality" of criminal liability (expressed in Art. 27 of the Constitution) left the Entities free from sanctions other than compensation for damages (if any). The Decree, on the other hand, introduced for the first time into our legal system a liability to be borne by Entities based on the paradigm of "**organic identification**" (the Entity is liable for the alleged offence committed by an Apiaceous Subordinate or Subordinate, to its advantage or interest, since the latter operates within its corporate competencies and in the interest of the Entity, acting as an organ and not as a subject distinct from it, as if it were an "extension of the Body itself") and of the "**fault of lack of organization**" (the Body is responsible for the Reato-Presumable because it has not adequately organized itself to avoid some specific criminal phenomena carried out by subjects functionally referable to it). We could say, in short, that the Italian Legislator has introduced a model of liability of the Body in compliance with guarantee principles, but with a preventive function: in fact, through the provision of a liability for an illegal act directly on the part of the company, attributable to a "lack of organisation", it is intended to urge the latter to organise its structures and activities in such a way as to ensure adequate conditions for the protection of criminally protected interests.

Precisely in order to encourage the prevention of alleged offences, Article 6 of Legislative Decree no. 231/2001, in introducing the above-described system of administrative liability of the Entity, provides for a specific form of "exoneration", if the Entity proves that it is: (A) the management body has adopted and effectively implemented, prior to the commission of the offence, organisation and management models suitable for preventing offences of the type that has occurred; (B) the task of supervising the functioning and observance of the models and updating them has been entrusted to a body with autonomous powers of initiative and control; (C) the persons have committed the offence by fraudulently evading the organisation and management models; (D) there has been no omitted or insufficient supervision by the body referred to in letter b). For the purposes of the Entity's liability, therefore, it will be necessary not only that the offence is objectively linked to it at the level of organic identification (the conditions under which this occurs, as has been seen, are governed by art. 5) of the Decree; furthermore, the offence must also be an expression of company policy or at least derive from a fault due to lack of organisation.

The "exemption" from liability of the Entity therefore involves the adoption of behavioural models specifically calibrated to the offence risk, aimed at preventing the commission of certain offences through the establishment of effective rules of conduct, subject to examination by the Criminal Judge during the proceedings against the material perpetrator of the alleged offence. Therefore, in formulating the organisation and management models, the Entity must aim at the positive outcome of this judgement of suitability, providing for a whole series of procedures and measures that follow the guidelines expressed in Article 6, paragraph II of the Decree, such as:

i. identification of the so-called "potential risks", identifying in the company context the areas or sectors of activity in which the offences provided for by the Decree could theoretically be committed;

ii. provision of specific protocols aimed at planning the training and implementation of the Body's decisions in relation to the offences to be prevented, with the intention of effectively combating - i.e. reducing the risks identified to an acceptable level;

iii. identification of the methods for managing financial resources suitable for preventing offences;

iv. provision of information obligations towards the body responsible for supervising the functioning and compliance with the model;

v. introduction of an internal disciplinary system within the Body suitable to sanction non-compliance with the measures indicated in the model.

Law 179 of 2017 on whistleblowing ("Provisions for the protection of the perpetrators of reports of offences or irregularities of which they become aware in the context of a public or private employment relationship") has also enriched the text of Article 6 of the Decree with the new paragraph II-bis, according to which the organisation and management models must provide for: (a) one or more channels enabling Senior and Subordinate Parties to submit,

in order to protect the integrity of the entity, detailed reports of unlawful conduct (relevant under the Decree and based on precise and consistent facts) or violations of the model, of which they have become aware by reason of their duties. These channels must guarantee the confidentiality of the whistle-blower in the context of the management of the report; (b) at least one alternative reporting channel, suitable for guaranteeing - using computerised methods - the confidentiality of the whistle-blower's identity; (c) the prohibition of acts of retaliation or discrimination (direct or indirect) against the whistle-blower, for reasons connected (directly or indirectly) with the report; (d) sanctions against those who violate the measures for the protection of the whistle-blower, as well as those who make intentional or grossly negligent reports that prove to be unfounded.

2.6 Liability of the Entity vs Liability of the material perpetrator of the offence

The liability of the Entity is additional (and not a substitute) to that of the natural person who materially committed the offence. It follows, therefore, that, in the event one of the Offences specifically indicated in the Decree is committed, the criminal liability of the natural person who materially committed the offence is added - if and to the extent that all the other regulatory requirements are integrated - to the "administrative" liability of the company.

Nevertheless, the Decree unequivocally clarifies how that of the Entity is an autonomous title of responsibility, with respect to that of the material perpetrator of the Offence. Article 8, paragraph I, in fact leaves the Entity liable even when (i) the perpetrator of the alleged offence has not been identified or is not imputable or (ii) the alleged offence is subject to an extinction event other than amnesty. If the punitive mechanism has been designed in such a way as to make the (procedural) events of the natural persons and those of the Entity closely related to each other (both investigations must be carried out by the same criminal judge), this does not mean that, in the limited hypotheses set out above, the inseparability between the two may disappear.

2.7 Sanctions

Section II of the Decree lays down the general rules on penalties applicable to Entities whose administrative liability has been established as a result of an offence. This is an essentially binary system, which provides for the imposition of pecuniary and/or disqualification sanctions. However, while the first ones are indefectible, the latter are to be imposed only in the presence of the alleged Offences for which they are expressly provided for. This gives rise to a "punitive" sanctioning right that exploits the incisiveness of the administrative sanction, but which, precisely because it is more pervasive (think of the incidence of disqualification sanctions), claims a sphere of guarantee that is superior to those established by Law no. 689 of 1981 on administrative offences.

2.7.1 Monetary sanctions

The pecuniary administrative sanction - for the payment of which the Entity is liable with its assets or common fund - is regulated by articles 10, 11 and 12 of Legislative Decree 231/2001 and represents the sanction of necessary application, since it operates every time the Entity commits any of the offences provided for in the Decree. The determination of this sanction - entrusted to the Criminal Judge - is carried out according to the quota mechanism and is divided into two different and successive evaluation operations, aimed at adjusting the sanction more closely to the seriousness of the offence and the economic conditions of the Entity.

During the first assessment, the judge determines the number of shares (in any case not less than one hundred or more than one thousand), based on the traditional indices of the seriousness of the offence, such as the seriousness of the offence, the degree of liability of the Entity and the activity carried out to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences (Article 11, paragraph I). Once the amount of the quotas has been established, the Judge determines the value of each quota, within the predetermined minimum and maximum values in relation to the sanctioned offences (from a minimum of 258.23 to a maximum of 1,549.37 Euros), "on the basis of the economic and financial conditions of the Entity in order to ensure the effectiveness of the sanction" (Art. 11, paragraph II). As regards the procedures for ascertaining the economic and asset conditions of the Entity, "the judge may make use of the financial statements or other records suitable for photographing such conditions. In some cases, the evidence may also be obtained taking into account the size

of the entity and its position on the market. More in general [...] and in the event of failure to adopt the prevention models, the judge may not, however, fail to take advantage, with the help of consultants, of the reality of the company, where he or she may also draw on information relating to the economic, financial and asset soundness of the entity" (Point 5.1, Report). The final sum is therefore the result of the multiplication between the amount of the single share and the total number of shares that "crystallise" the value of the offence, bearing in mind that the minimum amount of this sanction may not be less than € 25,822.84, while the maximum amount must not exceed € 1,549,370.70 (as provided for in Article 11, paragraph I, letter g). Compared to article 133-bis of the Criminal Code (which provides for an increase of up to three times the monetary penalty), in the "quota" paradigm outlined by the Decree, the value of each quota therefore has a ratio of "one to six" (€258.2 / €1,549.37), which is clearly greater than the penal model: this greater oscillation serves precisely to ensure that the sanction is effectively adjusted to the financial condition of the Body.

Finally, Article 12 of Legislative Decree no. 231/2001 provides for some hypotheses of reduction of the fine:

Reduction	Preconditions
by half (in any case, the total penalty may not be higher than € 103,291.38 or lower than € 10,329.14).	• the perpetrator of the Offence has committed the act in his or her own interest or that of a third party and the Entity has not gained an advantage or has gained a minimal advantage from it; or • the financial damage caused is of particular tenuousness.
one third to half	If before the opening statement of the first instance hearing • the Entity has fully compensated for the damage and eliminated the harmful or dangerous consequences of the offence or has in any case effectively done so; or • an organisational model suitable for preventing offences of the type that has occurred has been adopted and made operational.
from half to two thirds	If before the opening statement of the first instance hearing both conditions mentioned in the previous point are met.

2.7.2 Disqualification sanctions

The disqualification sanctions provided for in art. 9 of the Decree concern (i) the inhibition of the company's activities, which is possible only when the application of the other disqualification sanctions is inadequate, (ii) the suspension or revocation of authorisations, licences or concessions functional to the commission of the offence, (iii) the prohibition to contract with the Public Administration, except to obtain the performance of a public service, (iv) the exclusion from facilitations, financing, contributions or subsidies and the possible revocation of those already granted and (v) the prohibition to advertise goods or services.

Disqualification sanctions, the duration of which may not be less than three months or more than two years (with the exception of certain offences referred to in art. 25 of the Decree - Extortion, undue induction to give or promise utilities and bribery, for which a duration of not less than four years and not more than seven years is envisaged, where the offence has been committed by a Senior Official), must be applied exclusively in relation to offences for which at least one of the following conditions is expressly provided for:

a) the Entity made a significant profit from the Offence and the offence was committed by top management or subordinates, when - in the latter case - the commission of the offence was determined or facilitated by serious organisational shortcomings;

b) in the event of repetition of the offences, which takes place - pursuant to Article 20 of the Decree - with the commission of an Offence within five years following the final sentence for a previous offence.

In some particularly serious cases, provided for in art. 16 of the Decree, the Judge will also have the power to impose certain disqualification sanctions "definitively", preventing the Entity from exercising its activity (if it has made a significant profit from the offence and has already been sentenced, at least three times in the last seven years, to temporary disqualification from exercising its activity) or prohibiting it from contracting with the public administration or advertising goods and services (when it has already been sentenced to the same sanction at least three times in the last seven years). If there are serious indications of the Entity's liability and there are well-founded and specific elements that make the danger of a possible commission of offences of the same nature concrete, the Judge may finally order, at the request of the Public Prosecutor, the application of these sanctions, also as a precautionary measure, already at the preliminary investigation stage.

Disqualification sanctions are not applied if the conditions laid down in the art. 12 co. I of the Decree for the reduction of pecuniary sanctions. It also excludes the application of disqualification sanctions, the fact that the Entity has carried out the reparative conduct provided for in art. 17 of Legislative Decree no. 231/01 and, more precisely, when the following conditions are met before the opening of first-degree proceedings:

i) the body has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence or has in any case effectively done so;

ii) the company has eliminated the organisational shortcomings that led to the offence through the adoption and implementation of organisational models suitable for preventing offences of the type that occurred;

iii) the entity has made available the profit obtained for confiscation.

On the one hand, therefore, the disqualification sanction presupposes the commission of particularly serious offences or the repetition of offences; on the other hand, there are hypotheses that make it possible to prevent the application of such sanctions, in the presence of conduct aimed at reintegrating the offence. Therefore, there is a line of sanctions policy that "does not aim at indiscriminate and indefectible punishment but, on the other hand, clearly aims to give priority to a dimension that safeguards the prevention of the risk of offences being committed in one with the necessary, prior elimination of the consequences produced by the offence" (Point 6, Report).

Finally, it is worth mentioning a ruling by the Council of State according to which it must be excluded that, in the case of offences committed within one of the companies belonging to the corporate group, the relative sanctions or precautionary measures can be generally extended to all the companies belonging to the group.

2.7.3 Publication of the sentence, confiscation of the price or profit of the offence, commission of the offence

If disqualification sanctions are applied, the Judge may order the publication, in one or more newspapers, of the sentence (in extract or in full), as well as the posting in the municipality where the Body has its head office.

The Entity is always ordered, with the conviction, to confiscate the price or profit of the offence (except for the part that can be returned to the injured party). When it is not possible to execute the confiscation on the assets directly constituting the price or profit of the Offence, the same may have as its object sums of money, assets or other utilities of equivalent value to the price or profit deriving from the same. It should be added that it may also be ordered, as a precautionary measure, the seizure of things which, constituting the price or profit of the Offence or their monetary equivalent, are liable to confiscation.

Finally, if specific conditions are met, the Judge - when a disqualification sanction is applied that would result in the interruption of the Entity's activity - has the right to appoint a commissioner to supervise the continuation of the activity for a period equal to the duration of the disqualification sanction that would have been applied (Art. 15).

3. GBE S.p.A.

3.1 History and activities of GBE S.p.A.

GBE is a joint-stock company under Italian law active in the design and construction of machinery, plants and electrotechnical, electromechanical, electronic and mechanical equipment in general, as well as in the trade of related products. In particular, the Company specialises in the design and manufacture of (i) resin and dry insulated transformers, from some kVA up to 30 MVA, in all voltage classes up to 52 kV; (ii) oil transformers from 50 kVA up to 50 MVA and 145 kV; (iii) amorphous core transformers from 100kVA up to 2500kVA; (iv) reactors with air, resin and oil insulation, with and without magnetic core from some kVAR up to 10 MVAR.

The production processes are partly carried out at the Company's registered office in Via Teonghio 44, Orgiano, Vicenza (whose premises also house the administrative offices), where resin transformers for distribution and special application, with power from 50kVA up to 30MVA, class 52kV and oil power transformers up to 50MVA, class 145kV, are manufactured. Another part of the production takes place in two plants owned by the Company adjacent to the registered office, where the transformers and reactors in oil for distribution and special application from 50kVA up to 5000kVA, class 72kV, are manufactured and the carpentry operations are managed. Production is therefore carried out in three different production plants with a total surface area of about 33,000 square metres.

Established on 9 March 2000 and registered with the Register of Companies of the Chamber of Commerce of VICENZA on the following 22 May, the then "GBE S.r.l.". (which became a joint-stock company in November 2008 under the current name of "GBE S.P.A.") has distinguished itself through a gradual process of expansion which, over a period of twenty years, has enabled it to acquire a leading position in the Italian market for the production of resin and oil transformers, leading a group of companies which includes (i) the Italian company E.B.G. S.r.l., incorporated on 16 July 2010 and registered with the Chamber of Commerce of VICENZA on the following 10 August, with registered office in Via Valcisana 12, Orgiano (VI), specialising in the production of electrical transformers, electrical transformer components and carpentry in general; (ii) the company incorporated under English law GBEUK Limited, incorporated on 16 April 2006, with registered office in Unit 9, The Courtyards, Victoria Road, Leeds LS14 2LB (UK).

To crown an ambitious project of brand internalisation, the Company is now present with its products in many countries in Europe (Germany, United Kingdom, Scandinavia, Italy, Russia, Romania, Poland, Austria) as well as in various non-European countries (South America, Egypt, South Africa, South East Asia, Australia).

3.2 Governance of GBE

- GBE's Governance system is traditional and provides for the possibility for the Company to be managed alternatively by a Sole Director or a Board of Directors composed of a minimum of two to a maximum of nine members. At the date of approval of this document, the Company is managed by a Board of Directors made up of one member:
- PRESIDENT AND DIRECTOR OF DELEGATE, vested with all powers of ordinary and extraordinary administration, with the exception of those relating to and consequent to the subject of safety and hygiene in the workplace and environmental prevention and protection.
- MANAGING DIRECTOR AND VICE-PRESIDENT: invested with all powers of ordinary administration and certain powers of extraordinary administration (signing correspondence, purchasing and/or selling products, signing the relative commercial commitments for the sales office towards purchasers, stipulating tender and supply contracts, signing all forms relating to exports/imports, stipulating collaboration and agency and/or representation consultancy contracts, handling relations with credit and financial institutions, requesting,

collecting and claiming, also by way of legal action, any sum of money or credit due to the company) relating to his position as head of the purchasing and production area,

- MANAGING DIRECTOR: invested with all powers of ordinary administration and certain powers of extraordinary administration (signing correspondence, purchasing and/or selling products, signing the relative commercial commitments for the sales office towards purchasers, stipulating tender and supply contracts, signing all forms relating to exports/imports, stipulating collaboration and agency and/or representation consultancy contracts, handling relations with credit and financial institutions, requesting, collecting and claiming, also through legal action, any amount of money or credit due to the company) relating to his position as head of the technical and Quality area. The Managing Director also holds the position of employer and is vested with all the management, management, decision-making and spending powers necessary for the fulfilment by the Company of the obligations imposed by the Consolidation Act on health and safety in the workplace and the obligations laid down by environmental legislation as a whole, being able to represent the Company before third parties in these functions.

On the other hand, no powers of attorney have been formalised at present.

The Company is composed of a Board of Auditors with control functions over the administration, consisting of three permanent members and two alternate members.

GBE is equipped with an articulated system of rules and procedures, aimed at guaranteeing the efficiency of the Company's activities and its compliance with current legislation. By applying on a daily basis the principles of hierarchical responsibility, separation of functions (operational and control) and powers, as well as making use of a system of internal controls, controls and proxies (which sees the Code of Ethics and this Model as its key strengths), the Company aims to concretely pursue an operational objective of (i) efficiency and effectiveness in the use of resources; (ii) timely and reliable circulation (internal and external) of information; (iii) compliance of activities with laws, regulations and internal procedures.

Production is in fact carried out in compliance with the reference standards and the best European and international best practices (CEI, IEC, CENELEC, DIN, BRITISH STANDARD, UNI EN, ISO etc.), as demonstrated by the issue of ISO 9001:2015 certification for the Quality Management System by the RI.NA Certification Body. Services S.p.A. and ISO 14001:2015 certification for the Environmental Management System by the Certifying Body Certi W Baltic SIA.

4. ORGANISATION AND MANAGEMENT MODEL

4.1 Function of the Model

GBE enjoys an excellent reputation on the market, interfaces with many interlocutors (domestic and foreign) and is proud of its traditions. The Company therefore considers it essential to maintain and, where possible, increase its reputation. There is a strong belief in GBE that compliance with the law and conduct inspired by the highest ethical principles are not only necessary and morally correct, but also constitute an effective way of managing its business activities. The Company has therefore decided to adopt an Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 ("Model"), in order to strengthen that sensitivity towards the corporate governance culture that has always distinguished it.

The Model is a set of self-imposed rules and principles on prevention, deterrence and control, aimed at reducing the probability that crimes may be committed within GBE's corporate areas. Its elaboration passes through (i) a risk analysis ("Risk Analysis"), aimed at identifying the company processes most at risk of offences ("Sensitive Areas and Processes"), (ii) the preparation of appropriate management and control protocols ("Protocols"), aimed at mitigating this offence risk and (iii) constant monitoring by the Supervisory Body ("SB"), aimed at ensuring compliance with this organisational system and supervision of the work of the Recipients, also through the use of appropriate disciplinary and contractual sanctions.

In essence, the principles contained in the Model are therefore designed to improve the Company's Corporate Governance, as they aim to increase the awareness of the potential perpetrator of the offence (the commission of which is strongly condemned by the Company) and, at the same time, prevent the offence itself, thanks to constant monitoring of the Sensitive Processes. The purpose of the Model is therefore to:

- **i.** raise awareness among the Recipients, requiring correct and transparent behaviour, in line with the ethical values that the Company is inspired by;
- **ii.** transmit to the Recipients the awareness of being able to incur, in the event of violation of the provisions reported, in an offence for which the Company and not only the person who commits the violation may also be subject to sanctions;
- **iii.** inform the stakeholders that the violation of the provisions contained in the Model will result in the application of appropriate sanctions or the termination of the contractual relationship;
- **iv.** point out that such forms of unlawful conduct are strongly condemned by the Company, since they are contrary to the law and to the social-ethical principles on which it is based;
- **v.** establish and/or strengthen controls that enable the Company to prevent (or react promptly to prevent) the commission of offences by Senior Executives and Subordinates;
- **vi.** identify the Offence Risk Areas and Sensitive Processes, providing for the principles of conduct to protect them;
- **vii.** set up an adequate system for the periodic monitoring of company conduct;
- **viii.** share the principles of conduct and procedures in force among the Addressees;
- **ix.** assign the Supervisory Board specific tasks and powers to monitor the effective implementation and compliance with the Model;
- **x.** define authorisation powers consistent with responsibilities, regulating the management of financial resources so as to ensure traceability and the correct performance of operations;
- **xi.** implement an adequate penalty and disciplinary system

4.2 Structure of the Model

GBE is aware that the implementation of the Model is accompanied in practice by the adoption of a code of ethics, in which the Body formalizes the principles that inspire the exercise of its business activities. For this purpose, since 2014, the Company has adopted and spread its Code of Ethics, inspired by the values of fairness, transparency and good faith. The Code of Ethics is also relevant for the purposes of the Model, since the precepts contained therein (which characterise the Company's conduct in the pursuit of the Company's objectives) constitute a useful interpretative reference also for its application in relation to company dynamics. This Code of Ethics is binding for all the Recipients of the Model and is also binding for all the Company's stakeholders, who are required to know and comply with it (obligation provided for by specific contractual clauses governing the relationship between third parties and GBE). Moreover, it is the Company's practice to attach the Code of Ethics, as a symbol of the Company's policy, to the contracts of primary importance that it has concluded with its suppliers, collaborators, consultants, agents or customers.

In preparing the Model, account was also taken of the existing Internal Control System already operating within the Company, as noted in the "as-is analysis" phase, as the latter represents an appropriate measure for the control and prevention of Offences.

The Model is made up of a "General Part" and some "Special Parts" (drawn up in relation to the types of the alleged Offences for which GBE has deemed there to be a risk of commission by the Recipients by virtue of the activity carried out by the same), according to the scheme below:

GENERAL PART	- Notes on the administrative liability of Entities pursuant to Legislative Decree 231/01 (Chapter 2); - Description of GBE's activities and Corporate Governance principles (Chapter 3); - Description of the Model and Risk Analysis (Chapter 4); - Attributions and structure of the SB (Chapter 5); - Information Flows (Chapter 6); - Training and sharing of the Model (Chap. 7); - Sanctions System (Chap. 8);
SPECIAL PART	- Special Section "A": Offences against the Public Administration; - Special Section "B": Computer crimes; - Special Section "C": Corporate crimes and corruption among private individuals; - Special Section "D": Offences in violation of the rules on the protection of health and safety at work; - Special Section "E": Environmental crimes; - Special Section "F": Offences of receiving stolen goods, money laundering, use of money and goods or utilities of illegal origin; - Special Section "G": Employment of Third-Countries Nationals whose stay is irregular; - Special Section "H": Incitement to racism and xenophobia; - Special Section "I": Provisions for the protection of the perpetrators of reports of crimes or irregularities of which they have become aware in the context of an employment relationship. - Special Section "L": Crimes against industry and trade;

	- - Special Section "M": Tax Offences

4.3 Construction of the Model

The construction of the Model, intended as a risk prevention and management system in line with the provisions of Legislative Decree no. 231/2001, was divided into the following phases.

I) Identification of the Company's Activities in the context of which the Offences may be committed Precondition and risk assessment: Risk Mapping and Risk Assessment

Article 6, paragraph 2, letter a) of the Decree requires the Model to provide for so-called risk mapping.

GBE has therefore carried out an analysis of the constituent elements of the Offences Assumed, in order to identify and define the concrete conduct that could integrate the criminal offences referred to in the Decree within the company's activities.

Secondly, a detailed analysis of GBE's business context was carried out, interviewing employees and managers of the Company with the help of specific questionnaires filled in by the latter, in order to identify the areas and business processes which, due to the activities concretely carried out by the Company, could - in the abstract and even only in a potential way - be affected by the occurrence of events attributable to the Offences Presumable referred to by Legislative Decree no. 231/01 and therefore considered "sensitive" ***(Risk Mapping)***.

Subsequently, the factors that contribute to determining this risk of the alleged Offences being committed within the Company Areas and the individual Sensitive Processes previously identified were identified and assessed, such as (i) the probability of the offence occurring and (ii) potential damage to the Company in the event of the occurrence of the offence. Each of these factors has been assigned a specific value ***(Risk Assessment)***.

The company situation and the control and monitoring processes in force were then compared with the standards and requirements imposed by the Decree, the Guidelines and best practices, assessing their suitability to reduce the risk of commission of the Offences to an "acceptable level".

As a result of the risk mapping carried out in March 2020, GBE decided not to include in this Model the offences of "Market Abuse", against the individual and organised crime, and offences for sports fraud, in view of the fact that there is no real and concrete risk of such offences being committed, taking into account the specific company activities carried out by the Company.

Given the legislative interventions that have led to a progressive extension of the catalogue of alleged offences, and also considering the changes that may affect both the Company's structure and its activities, the mapping of risks can never be considered definitive and unchangeable, but, on the contrary, must be subject to continuous updating. GBE shall therefore, with the support of the Supervisory Board, review and integrate, where necessary, the mapping of risks whenever necessary due to further legislative interventions, changes in GBE's corporate structure, or even only in consideration of changes in the circumstances and/or the manner in which the Company carries out its business activities.

II) Establishment of a preventive control system

Pursuant to art. 6, paragraph 2, letter b) of the Decree, once the mapping of risks has been completed, specific protocols must be provided for planning the training and implementation of the Body's decisions in the areas considered to be at risk.
GBE has therefore prepared/implemented a control system suitable to prevent or in any case considerably reduce the risks identified in the previous phases as "unacceptable". A specific Protocol of rules and procedures has therefore been drawn up for each of the categories of Offences identified by the Decree (i.e., Offences against the Public Administration, Corporate Offences, etc.), considered to be theoretically configurable in the Company, aimed at preventing the risk of committing such criminal offences. These Protocols (i) identify the Crime Risk Areas and, within each of them, the Sensitive Processes; (ii) describe the alleged Offences that can be associated with these

Crime Risk Areas and Sensitive Processes; (iii) indicate the behavioural principles and operational control measures aimed at preventing the commission of the alleged Offences (with particular reference to the methods of management of financial resources, pursuant to art. 6 paragraph 2, letter c) of the Decree), the controls aimed at verifying compliance with these controls and the reporting and information duties towards the Supervisory Body (in accordance with the provisions of art. 6 paragraph 2, letter d) of the Decree).
Like risk mapping, the procedures and remedies adopted can never be considered definitive: their effectiveness and completeness must, on the contrary, be subject to continuous re-evaluation by the Company and the Supervisory Board, which also has the main task of proposing to the Board of Directors the improvements, additions and amendments it deems necessary from time to time.

III) Presence of a disciplinary system suitable to sanction non-compliance with the measures indicated in the Model

Pursuant to art. 6, paragraph 2, letter d) of the Decree, it has structured an adequate disciplinary system (described in greater detail in chapter 8 below) capable of countering and punishing any violations of the Model and/or company procedures relating to it by Senior Management or Subordinates, to be understood as an indispensable element of the Model itself and an essential condition for guaranteeing its effectiveness

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The Model has been prepared with reference to its specific organisation, size and structure, the prescriptions and rules of the Decree, the relevant jurisprudential rulings, as well as the Guidelines drawn up by trade associations and, in particular, those drawn up by Confindustria (in the version published on the Confindustria website in March 2014).

4.4 Recipients of the Model

The Model is addressed to directors, managers and those who work in the name and on behalf of the Company, as well as to all employees ('Internal Recipients'). The Model, however, represents a manifestation of GBE SPA's corporate culture and must therefore also be respected by those who collaborate with the Company, even on a temporary basis. This refers to external collaborators, agents, suppliers, contractors, consultants and business partners subject to the management and supervision of the company management, who shall comply with the Code of Ethics and, to the extent applicable to them, also with the principles laid down in this Model (**'External Recipients'**).

5. Supervisory Body

5.1 Identification of the Supervisory Board

Article 6, paragraph I, letter b) of Legislative Decree no. 231/2001, in exempting the Entity from liability by adopting and effectively implementing an organisational, management and control model suitable for preventing the commission of the Offences, has provided for the mandatory establishment of a body with both an autonomous power of control (enabling it to supervise the functioning of and compliance with the Model) and an autonomous power of initiative (to guarantee its constant updating).

For the purposes of effective and efficient implementation of the Model, the Confindustria Guidelines suggest that this task be entrusted to an "internal" body within the operational structure of the Body, known as the Supervisory Body, which has the following characteristics: (i) independence, (ii) professionalism and (iii) continuity of action.

In implementation of the provisions of Legislative Decree no. 231/01 and in relation to the size, organisational complexity and activities carried out by the Company, therefore, the Supervisory and Control Body of GBE ("Supervisory Body" or "SB") takes the form of a collegial body, appointed by the Board of Directors according to the logic and criteria described below and composed of two members, both external to the Company. This choice was deemed appropriate, as it reconciles the need to entrust this role and responsibilities to persons who fully guarantee the effective autonomy and independence that the Supervisory Board must necessarily have. In any case, the identification of the members is assessed on a case-by-case basis, taking into account the specific characteristics of the Company, regulatory and jurisprudential developments and the indications expressed by doctrine and trade associations. The Company, therefore, has not deemed it appropriate to entrust the functions of supervisory and control body pursuant to Legislative Decree no. 231/2001 to the Board of Auditors.

5.2 Appointment, ineligibility, forfeiture, revocation.

The Supervisory Board is appointed by the Board of Directors, which on that occasion also establishes the remuneration of its individual members. The duration of the term of office is indicated at the time of appointment (in the absence of such term, the duration shall be deemed to be three years), with the right to renewal at each natural expiry date, before which the term of office may be terminated only by resignation, forfeiture, revocation or death. The members of the Supervisory Board may hold office for more than one term, with no limit on the number of terms of office, and may renounce their office at any time by written notice to be sent to the Board of Directors.

These constitute grounds for ineligibility:

i) conviction, even with a non-final sentence or application of the penalty at the request of the parties, for offences punishable by intent, with the exclusion, therefore, of culpable offences, with the exception of those provided for and punished by Articles 589 and 590, paragraph 3, of the Criminal Code, committed in violation of accident prevention regulations and the protection of hygiene and health in the workplace, as well as the imposition of fines involving the application of accessory penalties pursuant to Article 19 of the Criminal Code or provided for by specific provisions of the law

ii) in any case, any conviction, even if not final, which entails the application of accessory penalties pursuant to Article 19 of the Criminal Code or provided for by specific provisions of law;

iii) the application of a personal or property security measure, the application of a personal or property prevention measure or the application of a personal or property anti-mafia prevention measure;

iv) the declaration of disqualification or incapacity pursuant to the Civil Code, as well as the conflict of interest with the Company.

v) ownership, direct or indirect, of shareholdings of the Company or other related entities in excess of 5%.

The application of a personal precautionary measure (custody in prison or in a place of treatment, house arrest, prohibition and obligation to stay, obligation to report to the Judicial Police, ban on expatriation) and the application of a disqualification measure (suspension from exercising a public office or service, temporary ban on certain professional and business activities) also constitute grounds for suspension from office for the entire duration of the measure.

The following constitute grounds for disqualification: (i) the occurrence of a cause of ineligibility, (ii) the violation of confidentiality obligations with regard to news and information acquired in the performance of one's duties, except for the information obligations expressly provided for by the law, (iii) suffering from serious infirmity that prevents one from performing one's duties on a permanent basis or an infirmity that leads to absence for a period of more than six months (iv) the failure to meet even one of the requirements of honour, professionalism, absence of incompatibility and/or conflict of interest.

Any revocation of the members of the Supervisory Board is the responsibility of the Board of Directors of the Company and may be triggered only in the presence of a justified reason, such as, for example, (i) serious breach of their duties, as defined in the Model, (ii) the adoption of obstructive behaviour towards the other members; (iii) the imposition of disciplinary sanctions; (iv) absence from meetings without justified reason over a period of twelve consecutive months.

If a cause for forfeiture or revocation occurs, the Board of Directors, having carried out the appropriate checks, after hearing the interested party and the other members of the Supervisory Board, shall declare the forfeiture or resolve to revoke the member, appointing a new member. If the case may also cease (e.g. presence of a conflict of interest), the Board of Directors may, alternatively, establish a term of not less than thirty days within which the forfeiture of office or reason for revocation must cease. Once this period has elapsed without the above-mentioned situation having ceased, the Board of Directors shall declare the forfeiture of office or resolve to revoke it, at the same time appointing a new member. Until the new appointment by the Board of Directors, the forfeited SB shall continue to perform its functions on an interim basis.

5.3 Pre-regulations and resources of the Supervisory Board

The independence of the Supervisory Board is guaranteed first and foremost by the fact that, when the annual budget is drawn up by the Board of Directors, adequate financial resources are provided from which the Supervisory Board can draw for every need necessary for the correct and autonomous performance of its duties (e.g. specialist consultancy, travel, etc.). In detail:

- the Supervisory Board will submit to the Board of Directors a request for the availability of the amount corresponding to the annual budget, with sufficient detail of the expenses and costs to be incurred for the correct fulfilment of the mandate;
- The Board of Directors may not reasonably refuse to pay this amount, it being understood that the Supervisory Board may use it, autonomously and without prior authorisation, exclusively for the purposes provided for in this Model;
- his amount shall cover the expenses that the Supervisory Board shall have to incur in the performance of its functions (it being understood that any costs relating to human or material resources made available by GBE are not part of the budget);

The Supervisory Board may also autonomously commit resources exceeding these spending powers, if it is necessary to deal with exceptional and urgent situations: in such cases the Supervisory Board must inform the Board of Directors at its next meeting.

Taking into account the specific responsibilities assigned to the Supervisory Board and the specific professional content required, the latter may also avail itself of (i) the collaboration of persons belonging to the various company departments, if their specific knowledge and skills are required for particular analyses and for the evaluation of specific operational and decision-making steps of GBE's activities and (ii) the support of external professionals.

5.4 Functions and powers of the Supervisory Board

The Supervisory Board is entrusted with the task of:

- monitor compliance with the provisions of the Model and the documents linked to it by the Recipients, taking all necessary initiatives;
- supervise the real effectiveness, efficiency and effective capacity of the provisions of the Model, in relation to the company structure, to prevent the commission of the alleged Offences;
- verify the advisability of updating and adapting the procedures governed by the Model, making appropriate proposals to the Board of Directors;
- report to the Board of Directors any violations of the Model that have been ascertained so that it can take the consequent measures;
- verify that appropriate information and training initiatives are carried out for Addressees (with particular reference to those who work within the Sensitive Processes) on the principles, values and rules of conduct contained in the Code of Ethics, the Model and the company procedures that refer to it, also on the basis of requests for clarification and reports received from time to time;
- carry out periodic reporting to the corporate bodies;
- collect, process and store the reports and relevant information transmitted by the various company departments with reference to the Model and the company procedures that refer to it, and keep the results of the activity carried out and the related reports;
- verify that the prohibition of retaliation against Recipients who make reports concerning the commission of Offences or the violation of principles, values and rules of conduct contained in the Code of Ethics, the Model and the company procedures that refer to it is respected;
- verify the correct functioning of the channels set up for the information purposes referred to in Law no. 179 of 30 November 2017 on whistleblowing, providing appropriate clarifications, information and instructions on their operation;
- verify that violations of principles, values and rules of conduct contained in the Code of Ethics, the Model and the company procedures that refer to it, are effectively and adequately punished;
- verify the validity of the standard clauses aimed at implementing sanction mechanisms with regard to stakeholders (e.g. termination of contracts with business partners, collaborators or suppliers), in the event of violations of the provisions of the Model;

The GBE Supervisory Board shall achieve the aforementioned purposes through:

- reconnaissance of company activities, for the purpose of periodically checking the implementation of the provisions of the Model and updating the mapping of risk areas within the company context;
- the request for periodic or ad hoc information to individual company departments in relation to activities considered at risk. The information requested by the Supervisory Board must be promptly provided by the departments involved, without omissions or alterations of any kind, in order to ensure that the Supervisory Board has as correct a view as possible of the activities monitored; to this end, it is also specified that the Supervisory Board must constantly receive information on the evolution of risk areas and has free access to all relevant company documentation.
- coordination with the other company departments (also through special meetings) for the best monitoring of the activities in the areas identified at risk of commission of the Offences being committed;
- coordination with the heads of company departments for the various aspects relating to the implementation of the Model;

- the control of the actual presence and regular maintenance of the documentation referred to in the individual Special Parts of the Model;

any other control, both periodic and occasional, that may be appropriate on the actual performance of individual operations, procedures or activities within GBE;

In detail, the SB will conduct:

- *checks on the deeds:* periodically, the Supervisory Body will check the main corporate deeds and any contracts of significant importance concluded by GBE within the risk areas;
- *checks on procedures:* periodically the Supervisory Board will check the actual implementation of this Model;
- *checks on reports and measures:* The Supervisory Board will examine every report received during the year, the actions taken in this regard, the events and episodes considered most risky, as well as the effectiveness of knowledge among all Recipients of the contents of the Model and of the offences for which the company's administrative liability is envisaged.

The Supervisory Board, as a result of the checks carried out, the regulatory and/or organisational changes that have taken place from time to time, as well as the verification of the existence of new areas of activity at risk of offences or in the event of significant violations of the provisions of the Code of Ethics, the Model and/or the company procedures that refer to it, highlights to the competent company departments the opportunity for the Company to make the relative adjustments and updates to the Model and/or the relative procedures or to undertake initiatives and/or corrective actions. The SB verifies, through follow-up activities, that any recommended corrective actions are taken by the competent company departments.

The SB does not have any coercive or modifying powers in relation to the corporate structure or sanctions against the Addressees: these powers are the sole responsibility of the management bodies (Board of Directors and Shareholders' Meeting) or the competent corporate functions.

In the event of problems of interpretation and/or questions concerning the Code of Ethics, the Model and/or the company procedures that refer to it, the Addressees may contact the Supervisory and Control Body for appropriate clarifications. To this end, an e-mail box is set up so that it can be reached by those who wish to request clarification or request intervention or report violations of the Model (see paragraph 6.1).

5.5 How the SB works

In the performance of its activities, the Supervisory Board is required to meet at least once every three months, when convened by its Chairman or, at a different frequency, if a member of the Board so requests. The Chairmanship of the Supervisory Board is assumed by the external member. For any further practical aspects, reference should be made to the specific regulations ("**Rules of the SB**"), which contain the rules for the functioning of this collective body.

6. INTERNAL INFORMATION FLOWS

6.1 Communications and reports to the Supervisory Board

The Recipients of the Model are required to provide the information requested by the Supervisory Board, according to the contents, methods and periodicity defined from time to time by the same. The obligations to provide information to the Supervisory Board represent, in fact, a useful tool for the latter to carry out supervisory activities on the effectiveness of the Model and to ascertain ex post the causes that may have allowed an offence to occur. Any violation of the obligations to provide information to the Supervisory Board by the Addressees may result in the application of the disciplinary sanctions referred to in chapter 8.

Furthermore, if the Recipients of the Model become aware of facts which integrate the commission of offences provided for in the Decree or the occurrence of events and/or circumstances relevant to the performance of the activity for which the Supervisory Board is responsible, they shall promptly inform it. Such persons are, for example, obliged to report to the Supervisory Board (i) facts of which they become aware that could lead to violations of the Model, (ii) information concerning measures taken by the judiciary, the Judicial Police or other Authorities, from which it can be deduced that they are carrying out investigation or judicial activities for one of the types of offence relevant under the Legislative Decree. 231/2001 concerning the Company and/or the Recipients; (iii) requests for legal assistance made by Company personnel, executive or otherwise, in the event of the initiation of legal proceedings against them for the offences provided for in the Decree; (vi) information - including information from the heads of company departments other than those directly involved in carrying out activities in Offence Risk Areas - from which facts, acts, events or omissions with critical profiles with respect to compliance with the provisions of the Decree may emerge; (v) information concerning the application of the Model, with particular reference to disciplinary proceedings concluded or in progress and any sanctions imposed, together with the related reasons; (vi) decisions relating to the request, disbursement and use of public funds; (vii) the results and conclusions of committees of enquiry or other internal reports from which hypotheses of liability for the Offences Assumed emerge; (viii) serious or very serious accidents and injuries in the workplace (i. e., with an initial prognosis of more than 40 days).

Within the scope of the individual Special Part Protocols, further reporting duties towards the Supervisory Board are envisaged for specific persons indicated. All company employees are therefore entitled, in addition to their duty, to communicate, in writing, any information relating to possible internal anomalies or illegal activities. The Supervisory Board may also receive and evaluate reports and communications, in the same way in writing, from persons outside the company.

For the purposes of the above information (as well as for clarifications and/or information) and in compliance with the provisions of Law no. 179 of 30 November 2017 on whistleblowing, the following channels of communication with the Supervisory Board are established, which allow the Recipients to submit, in order to protect the integrity of the body, detailed reports of unlawful conduct or violations of the Model, of which they have become aware by virtue of their duties:

- Personal contact with the Chairman and possible joint drafting of a document addressed to the Supervisory Board.
- Communication to the e-mail address odv@gbeonline.com
- Written reports, also possibly anonymously, in a sealed envelope sent to the address: **Supervisory Body c/o GBE S.P.A., Via Teonghio, 44 36040 - ORGIANO (VI), Italy**.

The report can be sent in any form, however, in order to facilitate its completion, a facsimile of the Report Form is available on the company website, which will also be distributed to all employees in paper format with the first pay slip following the adoption of this Model.

All information and reports collected by the Supervisory Board are kept under its responsibility, according to rules, criteria and conditions of access to data suitable to guarantee the integrity and confidentiality of the report. In particular, with reference to the computerised reporting channel, the content and limits of the task entrusted to the subjects in charge of processing the data in question shall be defined in writing from time to time, providing for specific penalties and/or termination of the contract in the event of disclosure of information concerning the flow of information to/from the Supervisory Body. As far as the postal reporting channel is concerned, the Company adopts a specific procedure according to which mail addressed to the Supervisory Body must be delivered only and exclusively to the members of said body.

The Supervisory Board must evaluate all reports received and take the necessary steps and initiatives, giving reasons in writing for any decisions not to carry out internal investigations and being able to summon, if it deems it appropriate, the alleged perpetrator of the violation, giving rise to the necessary investigations and enquiries in order to ascertain the fact. If it considers that the infringement has actually been committed, it shall notify the Board of Directors so that the latter may apply the appropriate penalty.

Any act of retaliation or discrimination, direct or indirect, against the reporter for reasons related, directly or indirectly, to the report is expressly prohibited. The disciplinary system adopted by the Company provides for specific sanctions against those who violate this measure to protect the whistle-blower, as well as against Addressees who make intentional or grossly negligent reports that prove to be unfounded (Chapter 7).

In order to better perform its functions, the Board of Directors must provide the Supervisory Board with detailed information on any changes to the defined powers and the powers delegated, while the Supervisory Board may:

(i) request from the Board of Directors and employees any kind of information and/or documentation useful for the checks and controls assigned to it, requiring the persons indicated to comply with each request with the utmost care, completeness and promptness.

(ii) request the Board of Directors to issue disciplinary sanctions against those who fail to comply with information obligations.

6.2 Information obligations of the Supervisory Board towards corporate bodies

With reference to reporting to the corporate bodies, the Supervisory Board reports in writing whenever necessary (for example, in the event of amendments, additions or updates to the Decree or in the event of ascertained violations of the Model) and in any case at least once a year, to the Board of Directors and the Sole Auditor on the implementation of the Model and the outcome of the checks carried out and the initiatives undertaken.

In particular, the annual report must contain (i) a summary of the activities carried out, indicating the controls carried out, their outcome and any updating of the instrumental processes; (ii) any critical issues that have emerged both in terms of internal conduct/events and in terms of the completeness and effectiveness of the Model; (iii) planned corrective and improvement measures and their state of implementation; (iv) reports received and violations ascertained; (v) a statement of expenses incurred.

The Supervisory Board has the right to request that the Board of Directors and the Single Auditor be convened for urgent reasons: these meetings must be recorded in minutes and copies of the minutes will be kept by the Supervisory Board and the bodies from time to time involved. If the Supervisory Board finds any critical issues relating to one of these bodies, the corresponding report shall be sent promptly to the other body. The GBE Supervisory Board may also be convened at any time by the Board of Directors to report on the functioning of the Model or specific situations.

6.3 Collection and storage of information

The information relating to the activities carried out by the Supervisory Board is stored by the latter in a special archive, both computerised and on paper, which may be made accessible to external parties, subject to written authorisation by the Supervisory Board.

The Supervisory Board is bound to maintain the strictest confidentiality and protection of professional secrecy regarding information and news received in the performance of its activities. In any case, all information in the possession of the SB is treated in compliance with the provisions of Legislative Decree no. 196/2003 (Privacy Code), as amended by Decree 101/2018.

7. SHARING AND KNOWLEDGE OF THE MODEL

7.1 Information and training

In compliance with the provisions of the Decree, GBE has undertaken to make the principles and provisions contained in the Model widely known - from the very first time it was adopted - to all its Employees (already present in the company or soon to be employed), in order to implement it effectively. The Company, therefore, periodically defines a specific *Communication and Training Plan* aimed at ensuring wide sharing of the principles and provisions contained in the Code of Ethics and the Model, as well as the company procedures/rules of conduct that refer to it, with suitable methods to guarantee effective knowledge on the part of the Recipients, taking care to make the necessary diversification according to the roles, responsibilities, tasks assigned and the scope of activities in which the individual Recipients operate. This plan is managed by the competent company departments that coordinate with the Supervisory Board.

7.2 Communication

The adoption and/or updating of the Model are communicated to all Addressees. The Company has also provided for specific methods of sharing the principles and prescriptions contained in the Model and the Code of Ethics to Internal Recipients, providing in the first instance for the delivery to the latter of an information set consisting of such documents. Internal Recipients are required to issue a written declaration certifying receipt of this information set as well as knowledge, sharing and commitment to comply with the provisions contained therein. The Model and the Code of Ethics are also published both on GBE S.P.A.'s website and on the company intranet (where the company procedures referring to it can also be found).

Since knowledge of the provisions on the administrative liability of entities and compliance with the rules that derive from them must be an integral part of the professional culture of each Recipient (and, in particular, of employees), in order to make information on the Model even more accessible, Recipients within the Company may consult, through the Company's intranet, a special portal, called "Portal 231", in which the text of the Decree and the rules that introduced the various underlying offences are published and made available for consultation. The documents published are constantly updated in relation to the changes and/or additions that gradually take place within the scope of the law and therefore constitute a useful and valid information support for the Company's personnel.

The adoption and updates of the Model are also communicated and sharing with External Recipients (such as collaborators, suppliers, agents, etc.). The formal commitment on the part of the aforesaid subjects to respect the principles of the Code of Ethics and the Model is documented through the preparation of specific contractual clauses duly submitted and accepted by the counterparts. A copy of the Model and the Code of Ethics may also be attached to the contracts of primary importance that the Company has concluded, following its adoption, with its suppliers, collaborators, consultants, agents or customers.

7.3 Training

The *training* activities organised by the Company are designed to promote knowledge of the regulations referred to in the Decree and to provide an exhaustive picture of the same, of the practical implications that derive from these regulations and of the principles and contents on which the Model and the Code of Ethics are based to all those who are required to know, observe and respect them, thus contributing to their implementation.

GBE S.P.A. has therefore provided for specific training plans that take into account (i) the characteristics of the recipients of the training interventions, their level and organisational role; (ii) the contents (in particular, the topics relating to the role of the people involved in the training sessions); (iii) the delivery tools; (iv) the timing of delivery, implementation (preparation and duration of the interventions) as well as those of use (commitment of the people involved); (v) the actions necessary for the correct support of the training intervention (promotion, support from hierarchical superiors, etc.). The courses are organised according to their main aims, some of them being dedicated to general information and awareness-raising, while others are aimed at ad hoc training on specific topics (for example, in the case of issuing new company procedures or updating existing ones).

The training contents concern, in general, the regulatory provisions on the administrative liability of Entities (and, therefore, the consequences for the Company of the possible commission of offences by persons acting on its behalf), the essential characteristics of the offences provided for in the Decree and, more specifically, the principles contained in the Code of Ethics, the Model and the procedures/rules of conduct that refer to it, as well as the specific preventive aims that the Model pursues in this context. The training modules take into account, in particular, the level of risk of the area of activity in which they operate. The training plan takes the form of courses to be held in the classroom, both for general and technical-specific training. In particular, for those who work in the Sensitive Processes area, as identified in Chapter II above, targeted meetings are defined in order to (i) share knowledge of the offences that can be committed in the specific area of activity as well as of the specific control mechanisms in the areas of competence and (ii) illustrate the operating methods by which daily activities must be carried out. At the end of the various training meetings, a final test is scheduled to verify the level of learning (and, if necessary, intervene with "ad hoc" initiatives).

The training contents are suitably updated in relation to the evolution of the regulations and the Model. In particular, if significant changes occur (such as, for example, the extension of the administrative liability of entities to new types of offences that directly affect the Company or organisational changes within the same), the contents are coherently integrated, also ensuring their use by the Recipients.

Training activities are managed and monitored by the competent company department and are adequately documented. In particular, participation in the training meetings in the classroom is formalised by requesting the attendance signature. The Supervisory Board periodically checks (also by means of data and information flows provided periodically by the above-mentioned corporate function) the state of implementation of the training plan and, if necessary, may request specific checks on the implementation of the training plans, the level of knowledge and understanding acquired by the Recipients regarding the contents of the Decree, the Code of Ethics and the Model, as well as its operational implications in the context of corporate activities.

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In line with the principles and values expressed in the Code of Ethics and the Model, GBE recognises the central importance of issues relating to the safety and health of workers in the workplace and undertakes to pursue the constant improvement of company *performance* in compliance with current legislation. With this in mind, specific information and training initiatives are carried out with specific reference to the prevention of accidents in the workplace and, in general, risks to the health and safety of workers. GBE S.P.A., as part of its Occupational Health and Safety Management System, carries out a series of activities aimed at improving basic knowledge in order to understand how to operate and behave in the workplace. In particular, the aim of these activities is to make workers (as understood by the Consolidated Safety Act and its subsequent amendments and additions) aware of:

- role and responsibility of each person in the workplace, including the management of emergency situations;
- risk of undesirable and dangerous effects on the health and safety of people and the surrounding environment deriving from their work activities and behaviour;
- potential consequences deriving from failure to comply with company procedures and operating instructions.

The company intranet also includes an "ad hoc" section, called "*Health and Safety*", where the Company's Occupational Health and Safety Management System is illustrated and a series of documents containing useful information on sector regulations, the company's health and safety organisation chart and current company procedures can be found. In particular, the Company, in compliance with the provisions of the law, provides the Recipients with special brochures containing general health and safety measures for personnel and to deal with any emergencies arising in the workplace (e.g. fire prevention measures and first aid).

8. DISCIPLINARY SYSTEM

8.1 General principles

In accordance with the provisions of art. 6, paragraph II, letter e) and art. 7, paragraph IV, letter b) of the Decree, the definition of an adequate disciplinary system that contrasts and is suitable for sanctioning any violations of the Model and/or company procedures that refer to it is an indispensable element of the Model itself and an essential condition for guaranteeing its effectiveness. An adequate penalty system also helps to guarantee the effectiveness and effectiveness of the supervisory and control activities carried out by the Supervisory Body.

The disciplinary system has been drawn up on the basis of the following principles:

- identification of procedures to (i) ascertain violations, breaches, evasions, imperfect or partial applications of the Model and company procedures, (ii) impose the relevant disciplinary sanctions and (iii) monitor compliance, application and updating of the disciplinary system.
- differentiation of the penalty according to the role played by the Recipients;
- identification of the disciplinary sanctions to be adopted against the Recipients in compliance with the provisions of the National Collective Bargaining Agreement and the applicable legislative provisions;

Adhering to the provisions of the Decree, the Company has provided that violations of the principles of the Code of Ethics as well as of the provisions contained in the Model and in the procedures that refer to it shall entail the initiation of disciplinary proceedings against the perpetrators, which shall ensure that the person to whom the unlawful conduct has been objected can put forward arguments in their defence and the possible imposition of specific sanctions. In this regard, it should be noted that the application of the penalty system presupposes the simple violation of the provisions of the Code of Ethics, the Model and the company procedures that refer to it and will be activated regardless of the course and outcome of any criminal or administrative proceedings initiated by the competent judicial authority, if the conduct to be censured also constitutes a relevant offence within the meaning of Legislative Decree no. 231/2001. In any case, given the autonomy of the violations of the Code of Ethics, the Model and the company procedures that refer to it with respect to violations of the rules that entail the commission of a crime or administrative offence relevant to the Decree, the evaluation of the conduct carried out by the Recipients by the Company may not coincide with the evaluation of the judge.

Any imposition of a sanction must be promptly notified to the Supervisory Board, which may also in any case propose to the Board of Directors the adoption of disciplinary measures commensurate with the extent and seriousness of the violations ascertained.

8.2 Disciplinary sanctions against employees

The conduct of employees in violation of the rules of conduct indicated in this Model constitutes a breach of the primary obligations of the employment relationship and, therefore, a disciplinary offence to be sanctioned with the measures provided for in the National Collective Labour Contract and in the Supplementary Company Contracts of reference (in this case, the Multiservice Collective Labour Contract, Public establishments and Food Cooperatives) and in compliance with the procedures provided for in Article 7 of the Workers' Statute (Law 300/1970) and any special and/or sector regulations applicable.

The disciplinary measures that may be imposed against non-executive staff (verbal warning, written reprimand, Fines not exceeding the amount of 3 hours of normal pay, Suspension from pay and service for a maximum of 3 days, Disciplinary dismissal with notice, Disciplinary dismissal without notice and with the other conditions of reason and law) must be applied taking into account, in particular, the importance of the obligations violated as well as the elements listed below:

- intentionality of the behaviour and degree of negligence, imprudence or inexperience with regard also to the predictability of the event;

- overall conduct of the worker, with particular regard to the existence or otherwise of previous disciplinary precedents for the same within the limits permitted by law;
- hierarchical and/or functional position, role held and duties of the employee involved;
- presence of aggravating or extenuating circumstances, with particular regard to the professionalism of the person involved and the circumstances in which the act was committed;
- possible sharing of responsibilities with persons who contributed to commit the fact;
- other particular circumstances that accompany the disciplinary violation.

Disciplinary sanctions may be applied (by way of example only and not exhaustively) in the event of the following conduct, even in possible competition with others:

- failure, in general, to comply with the principles/rules of conduct contained in the Ethical Code, the Model and the company procedures that refer to it, including omissive conduct;
- non-observance of rules and mandatory conduct provided for by national and international laws that have organisational and prevention rules that are unequivocally aimed at committing the offences covered by the Decree;
- omissions of conduct prescribed and formulated in the Code of Ethics, in the Model and in the company procedures referable to it, which expose the Company to the risk/respect situations referred to in the Decree;
- failure to comply with the procedures and/or processes for implementing the decisions of hierarchical superiors;
- non-observance of the company provisions concerning the obligations of evidence and traceability of the activity carried out with regard to the methods of documentation, storage and control of the acts, so as to prevent their transparency and verifiability;
- violation and/or circumvention of the control system put in place through the removal, destruction or alteration of the documentation required by company procedures;
- conduct aimed at obstructing or evading controls and/or unjustifiably preventing access to information and documentation by the Supervisory Board;
- non-compliance with the provisions on powers of signature and the system of delegation;
- failure of hierarchical superiors to supervise the conduct of their subordinates with regard to the correct and effective application of the principles/rules of conduct contained in the Code of Ethics, the Model and the company procedures that refer to it;
- violation of the measures aimed at protecting those who have made, in good faith, detailed reports of unlawful conduct or violations of the Code of Ethics, the Model and company procedures that refer to it;
- reports of unlawful conduct or violations of the Code of Ethics, the Model and company procedures relating to the same, carried out with intent or gross negligence, which prove to be unfounded.

Where disciplinary sanctions deriving from violations of the Code of Ethics, the Model and the company procedures that refer to it are applied to employees with power of attorney with the power to represent the Company, the imposition of the sanction may result in the withdrawal of the power of attorney. If several infringements, punishable by different sanctions, are committed in a single act, only the most serious sanction shall be applied. The

Board of Directors shall inform the Supervisory Board of the imposition of sanctions and together they shall monitor their application.

The sanctions will be imposed by the Board of Directors, on its own initiative or on the proposal of the Supervisory Board. With regard to the protection of health and safety in the workplace, the application of disciplinary sanctions may be proposed by the RSPP and/or the Employer.

8.3 Disciplinary sanctions against managers

The management relationship is characterised by its eminently trusting nature. Therefore, the Company's managers' compliance with the principles and provisions laid down in the Code of Ethics, the Model and the company procedures that refer to it, as well as their commitment to ensuring compliance with such principles and provisions, is an essential element of the managerial employment relationship. In this case, too, since it is a subordinate employment relationship, any infringements are ascertained and the consequent disciplinary proceedings are initiated by the relevant departments on the basis of the company's organisational structure, in accordance with the provisions for managers in the CCNL [Metalworkers' Collective Bargaining Agreement] and in compliance with current legislation. In the event of violation by managers of the provisions of the Code of Ethics, the Model and the company procedures that refer to it, or in the event of adoption, in the performance of activities in the Sensitive Processes, of conduct that does not comply - also in omissive terms - with the prescriptions contained therein, or in the event that the manager allows subjects subordinate to him/her to adopt conduct that does not comply with the aforesaid prescriptions, the Company shall apply the most appropriate sanctions against those responsible with regard to the seriousness of the conduct committed, in accordance with the nature of the management relationship as also resulting from the regulations in force and the [Metalworkers'] National Collective Bargaining Agreement. The starting point will therefore be written reprimand and, in the most serious cases, dismissal with or without notice, in particular where the conduct carried out gives rise to a serious denial of the elements of the employment relationship - in particular, of the fiduciary relationship - so as not to allow the continuation of such relationship, even provisionally. If the disciplinary sanctions deriving from violation of the Code of Ethics, the Model and the company procedures that refer to it are applied to managers with power of attorney with the power to represent the Company, the imposition of the sanction may lead to the revocation of the power of attorney itself.

8.4 Measures against directors and statutory auditors

The Company carefully assesses violations of the Code of Ethics, the Model and the company procedures that refer to it carried out by Senior Management, since they represent the top management of the Company and show its image towards employees, shareholders, creditors and the market. The creation and consolidation of a corporate ethic based on the values of fairness, loyalty and transparency presupposes, in fact, that these values are made and respected first and foremost by those who guide the company's choices, so as to set an example and stimulate all those who, at any level, operate within the Company. Therefore, in the event of violation by directors and/or auditors of the principles and provisions of the Code of Ethics, the Model and the company procedures that refer to it, or of the adoption, in the exercise of their powers, of measures that conflict with such provisions, the competent company bodies shall take the most appropriate protective measures from time to time, within the framework of those provided for by the regulations in force from time to time, including a warning, reduction in emoluments and revocation of the proxy and/or mandate conferred on the person concerned. Independently of the application of the protection measure, the Company is in any case entitled to avail itself of the measures provided for in the Italian Civil Code (liability and/or compensation actions). In the event that the violations are committed by a Senior Manager who is also an employee, disciplinary actions that may be taken on the basis of the employment relationship with the Company shall also apply - in addition to, and not as a replacement for, the disciplinary actions that may be taken on the basis of the employment relationship with the Company.

8.5 Measures against employees, business partners and suppliers

The Company believes that any behaviour adopted by parties external to the Company that may entail the risk of committing one of the offences referred to in the Decree is to be censured. Therefore, with regard to collaborators, suppliers and/or subjects having business relations with GBE whatever the relationship, even temporary, that binds them to the same, non-compliance with the provisions of the Code of Ethics and the Model constitutes a breach of contractual obligations undertaken, with all legal consequences and may therefore entail - in the most serious cases - the termination of the contract and/or the revocation of the assignment as well as compensation for any damages suffered by the Company.

8.6 Measures against members of the Supervisory Board

Anyone who becomes aware of a possible violation of the Model by a member of the Supervisory Board shall immediately inform the Chairman of the Board of Directors so that the latter can carry out the appropriate checks in consultation with the Single Statutory Auditor. Should a serious breach of the provisions contained in the Code of Ethics and the Model by one or more members of the Supervisory Board be ascertained, this may be considered grounds for revocation of the appointment for just cause, subject to a specific resolution to be taken by the Board of Directors, after hearing the opinion of the Sole Auditor.

Moreover, if the relationship with the Company is one of subordinate work, the provisions of the paragraphs dedicated to "*employees*" and/or "*managers*" shall apply; if, on the other hand, the relationship is one of collaboration/advice, the provisions of the paragraph dedicated to "*collaborators*" shall apply. GBE's right to compensation for damages resulting from the violation shall also remain unaffected.

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This sanctioning system is an integral part of the effective implementation of the Model and, for this reason, it is made available to all Addressees on the company's website and intranet, as well as posted in a place accessible to all, being also the subject of periodic training activities.