

ETC

EXPORT, TRADING
& COOPERATION

MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL

GENERAL PART

Version

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SECTION ONE

INTRODUCTION

This document, including all its sections and annexes, represents the Organization, Management, and Control Model (hereinafter referred to as the "**Model**") adopted by ETC INVEST S.p.A. (hereinafter referred to as the "**Company**") pursuant to Article 6 of Legislative Decree No. 231 of June 8, 2001 (hereinafter referred to as the "**Decree**").

This document replaces the Model previously approved on December 22, 2021, during a meeting of the Board of Directors. It constitutes the updated version, incorporating the introduction of new offenses relevant under the Decree, amendments introduced by subsequent legislative interventions, and changes to the Company's administration-control system and organizational structure.

THE LEGISLATIVE DECREE OF JUNE 8, 2001, NO. 231, CONCERNING THE ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES, COMPANIES, AND ASSOCIATIONS, INCLUDING THOSE WITHOUT LEGAL PERSONALITY

ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES

The Decree, implementing Delegated Law no. 300 of 29 September 2000, introduced in Italy the "*Regulation of the administrative liability of legal entities, companies, and associations even without legal personality.*" it is part of a broader legislative process to combat corruption and aligns Italian legislation on the liability of legal entities with certain international conventions previously signed by Italy, such as: The Convention on the Protection of the Financial Interests of the European Communities of 26 July 1995, The Convention on the Fight Against Corruption of 26 May 1997, and, The OECD Convention on Combating Bribery of 17 December 1997.

The Decree therefore establishes a regime of administrative liability (substantially equivalent to criminal liability) for legal entities (hereinafter, "**Entities or Entity**"), which is in addition to the liability of the natural person who committed the offense (even if such a person cannot be identified or held accountable).

It is worth noting that the liability is attributable to the Entity only if the natural person has committed the offense in the interest or to the advantage of the Entity, specifically:

a) **OFFENSE COMMITTED IN THE INTEREST OF THE ENTITY:** This occurs when the natural person who committed the offense acted with the intention of pursuing a benefit for the Entity, regardless of whether this objective was ultimately achieved.

b) **OFFENSE COMMITTED TO THE ADVANTAGE OF THE ENTITY:** This occurs when the natural person who committed the offense objectively obtained an advantage for the Entity, even if such an outcome was not previously intended (that is, the natural person who committed the offense engaged in actions that, although motivated by personal reasons, still resulted in a benefit for the Entity).

OFFENSES COVERED BY THE DECREE

The Entity shall be held liable only if a natural person has committed one of the offenses expressly enumerated in the articles of the Decree (the so-called "crime families"). It should be noted that the term "crime families" refers to the various categories of offenses (the so-called "predicate offenses") provided for in the individual articles of the Decree, which give rise to the administrative and criminal liability of the Entity, when perpetrated by the persons expressly identified in the following section of this Model in order to secure an interest or advantage for the Entity.

The crime families currently covered by the Decree are listed below:

- Undue receipt of disbursements, fraud against the State or a public entity or the European Union for obtaining public disbursements, and computer fraud against the State or a public entity, and fraud in public procurement (Art. 24).
- Computer crimes and unlawful data processing (Art. 24-bis).
- Organized crime offenses (Art. 24-ter).
- Embezzlement, undue allocation of money or movable property, extortion, undue inducement to give or promise benefits, corruption (Art. 25).
- Counterfeiting of money, public credit instruments, revenue stamps, and instruments or identification marks (Art. 25-bis).
- Offenses against industry and commerce (Art. 25-bis.1).
- Corporate offenses (Art. 25-ter).
- Offenses with the aim of terrorism or subversion of the democratic order (Art. 25-quater).
- Practices of female genital mutilation (Art. 25-quater.1).
- Offenses against individual personality (Art. 25-quinquies).
- Market abuse offenses (Art. 25-sexies).
- Involuntary manslaughter or causing serious or very serious injuries committed in violation of workplace health and safety regulations (Art. 25-septies).

- Receiving, laundering, and using money, goods, or assets of illicit origin, as well as self-laundering (Art. 25-octies).
- Offenses related to non-cash payment methods and fraudulent transfer of assets (Art. 25-octies.1).
- Offenses related to copyright infringement (Art. 25-novies).
- Inducement to refrain from making statements or to make false statements before the Judicial Authority (Art. 25-decies).
- Environmental offenses (Art. 25-undecies).
- Offenses related to the employment of third-country nationals with an irregular stay and crimes concerning illegal immigration (Art. 25-duodecies).
- Offenses of racism and xenophobia (Art. 25-terdecies).
- Offenses of fraud in sports competitions, engaging in or abuse of gaming or betting, and gambling conducted via prohibited devices (Art. 25-quaterdecies).
- Tax offenses (Art. 25-quinquiesdecies).
- Smuggling offenses (Art. 25-sexiesdecies).
- Offenses against cultural heritage (Art. 25-septiesdecies).
- Laundering of cultural assets and devastation and looting of cultural and landscape assets (Art. 25-duodevicies).

OFFENSES COMMITTED ABROAD

Article 4 of the Decree stipulates that Entities, with their main office in the territory of the Italian State, shall also be held liable for offenses committed abroad, provided that:

- a. The Entity has its main office in the territory of the Italian State;
- b. The general conditions for prosecution, as provided by Articles 7, 8, 9, and 10 of the Penal Code, exist in order to prosecute an offense committed abroad in Italy;
- c. The offense is committed abroad by a person functionally linked to the Entity;
- d. The State where the offense was committed does not exercise its prosecutorial discretion.

For criminal conduct that has occurred even partially in Italy, the principle of territoriality pursuant to Article 6 of the Penal Code shall apply, according to which *"the offense is considered to have been committed in the territory of the State when the action or omission that constitutes it occurred there, in whole or in part, or when the event that is the consequence of the action or omission occurred there."*

THE SUBJECTS

The persons whose commission of an offense in the interest or to the advantage of the Entity may rise to its liability are listed below:

- a. Natural persons holding top-management positions (i.e. those responsible for representation, management, or direction of the Entity or of one of its organizational units with financial and functional autonomy, or those who, in fact, exercise management and control: hereinafter, for brevity, the "**Executive Management**"),
- b. Natural persons subjected to the direction or supervision of one of the Executive Management (hereinafter, for brevity, the "**Subordinate Persons**").

It should nevertheless be reiterated that the Entity shall not be held liable—by express legislative provision (Article 5, paragraph 2, of the Decree)—if the aforementioned persons acted exclusively in their own interest or in the interest of third parties.

EXEMPTING CONDUCT

Articles 6 and 7 of the Decree provide specific forms of exemption from the administrative liability of the Entity for offenses committed in its interest or to its advantage, both by Executive Management and Subordinate Persons (as defined in the previous section).

In particular, in the case of offenses committed by **Executive Management**, Article 6 of the Decree excludes the Entity's liability if it proves that:

- a. *The management body had adopted and effectively implemented, before the commission of the offense, an organizational and management model suitable to prevent offenses of the type that occurred;*
- b. *The responsibility of overseeing the functioning and compliance with the Model, as well as updating it, was entrusted to an independent body within the Entity¹, with autonomous powers of initiative and control;*
- c. *The individuals who committed the offense acted by fraudulently circumventing the Model;*
- d. *There was no (omission or insufficient) supervision by the Supervisory Body.*

Regarding **Subordinate Persons**, the Entity is liable if the commission of the offense was made possible by the failure to comply with the obligations of direction and supervision. This failure to comply is, however, excluded if the Entity, before the commission of the offense, adopted and effectively

¹ below "**Supervisory Body**" or "**OdV**"

implemented a Model suitable to prevent crimes of the type that occurred, according to an evaluation that must necessarily be conducted in advance.

The exemption from the Entity's liability, however, is not determined by the mere adoption of the Model, but by its effective implementation through the establishment of all protocols and controls aimed at mitigating the risk of committing offenses relevant under the Decree. In particular, regarding the characteristics of the Model, the Decree expressly provides, in Article 6, paragraph 2, the following preparatory stages for the correct implementation of the Model itself:

- "a) Identify the activities within which crimes may be committed;*
- b) Provide specific protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the crimes to be prevented;*
- c) Identify management methods for financial resources suitable to prevent the commission of crimes;*
- d) Provide information obligations to the body responsible for overseeing the functioning and compliance with the models;*
- e) Introduce a disciplinary system suitable to sanction the failure to comply with the measures outlined in the model."*

The characteristic of the effectiveness of the Model is also linked to its effective implementation, which, under Article 7, paragraph 4, of the Decree, requires:

- "a) Periodic verification and possible modification of the Model when significant violations of the provisions are discovered or when changes occur in the organization or activity (updating the Model);*
- b) A disciplinary system with adequate deterrent power aimed at countering any violations of the Model."*

SANCTIONS PROVIDED BY THE DECREE

Legislative Decree no. 231 of 2001 provides the following types of sanctions applicable to entities subject to the regulation::

- A. Administrative financial sanctions;
- B. Prohibitive sanctions;
- C. Confiscation of the price or profit of the crime; and
- D. Publication of the sentence.

(A.) The administrative financial sanction, regulated by Articles 10 and following of the Decree, constitutes the "basic" sanction that must be applied. The Entity is liable for its payment with its assets or its common fund.

The legislator has adopted an innovative criterion for determining the sanction, assigning the judge the obligation to perform two distinct and successive evaluations. This results in a more tailored sanction that reflects the severity of the offense and the economic conditions of the Entity.

The first evaluation requires the judge to determine the number of quotas (in any case, no fewer than one hundred and no more than one thousand), taking into account:

- The severity of the offense;
- The degree of responsibility of the Entity; and
- The actions taken to eliminate or mitigate the consequences of the offense and to prevent the commission of further offenses.

During the second evaluation, the judge determines, within the pre-established minimum and maximum values in relation to the offenses being sanctioned, the value of each quota, ranging from a minimum of €258.00 to a maximum of €1,549.00. This amount is set *"based on the economic and financial conditions of the entity in order to ensure the effectiveness of the sanction"* (Articles 10 and 11, paragraph 2, Legislative Decree no. 231 of 2001).

(B.) The following **prohibitive sanctions** are provided by the Decree and apply only in relation to offenses for which they are expressly foreseen:

- Prohibition from carrying out business activities;
- Suspension or revocation of authorizations, licenses, or concessions related to the commission of the offense;
- Prohibition from contracting with the Public Administration, except to obtain the provision of a public service;
- Exclusion from benefits, funding, contributions, and subsidies, as well as the revocation of those already granted; and
- Prohibition from advertising goods or services.

The prohibitive sanctions have a duration of no less than three months and no more than two years. The choice of the measure to be applied and its duration is made by the judge based on the criteria previously indicated for determining the financial sanction, "taking into account the suitability of each sanction to prevent offenses of the type committed" (Article 14 of the Decree).

(C.) Pursuant to Article 19 of the Decree, **the confiscation**, even by equivalent means, of the price (money or other economic benefit given or promised to induce or determine another person to commit the offense) or the profit (immediate economic benefit derived) of the offense is always ordered with the conviction sentence, unless it is to be returned to the damaged party, and subject to the rights acquired by third parties in good faith.

(D.) The **publication of the conviction sentence** in one or more newspapers, either in excerpt or in full, may be ordered by the judge, along with posting in the municipality where the Entity has its main office, when a prohibitive sanction is applied. The publication is carried out by the registry of the competent judge and at the Entity's expense.

SECTION TWO

CORPORATE GOVERNANCE

The Company, through a specific statutory provision, has adopted a monistic system of administration and control (pursuant to Articles 2409-sexiesdecies and following of the Civil Code).

The corporate governance is constituted by the following corporate bodies:

- **THE GENERAL MEETING OF SHAREHOLDERS**, which is responsible for making decisions on matters entrusted to its competence by law or the statute.
- **THE BOARD OF DIRECTORS**, which is responsible for the management of the Company, with the authority to carry out acts deemed appropriate for the implementation and achievement of corporate objectives, excluding those reserved for the shareholders' meeting by law or the statute.
- **THE MANAGEMENT CONTROL COMMITTEE**, which is responsible for overseeing the management of the Company. This committee is composed of independent members of the same board of directors who are not tasked with carrying out, even in a mere factual manner, functions related to the management of the Company, nor the assignment of delegations or positions of any kind and nature.

THE ORGANIZATIONAL STRUCTURE OF THE COMPANY

The Company has dedicated and continues to dedicate the utmost attention to the definition of organizational structures and operational procedures, in order to achieve efficiency and transparency in the management of activities and in the allocation of corresponding responsibilities.

Therefore, the Company's organizational system is based on the principles of:

- a. Knowability, transparency, and publicity of the powers assigned;
- b. Delimitation of roles, with a clear definition for each function of:
 - Tasks and responsibilities;

- Hierarchical lines of operational activities and reporting;
- c. Adequate formalization.

The organizational structure of the Company is graphically represented in the corporate organization chart approved by the Board of Directors, where the corporate bodies, organizational units, and the individuals operating in each of them are specifically outlined.

The Company operates with a hierarchical structure in which the various functions ultimately report to the Board of Directors.

Finally, it is important to note that the Company, given the nature and complexity of the activities it carries out and the risks associated with them, has established five committees, specifically:

RISKS COMMITTEE: The Risks Committee ("RCO") is the technical committee tasked with providing opinions on the projects of the ETC group. The members of the RCO offer observations on a specific project submitted by the Front Office, which has been analyzed and evaluated by the Middle Office. In agreement with all members of the RCO, the final resolution of the coverage agreement (in French, Accord de Couverture "ADC") is proposed to the President or Board of Directors, in accordance with the signing delegation. Additionally, the RCO proposes modifications to the eligibility criteria for the risk management manual, which is submitted for approval by the Board of Directors. The RCO aims to achieve resolutions with either positive or negative opinions on each project (risks, compliance, commitments, and front office).

BACK OFFICE COMMITTEE: The Back Office Committee brings together the following offices: finance and control, accounting, administration, treasury, corporate secretariat, human resources, ESG program, and IT.

The main objective of the committee is to ensure efficient coordination between the various departments, ensuring that all activities align with corporate strategies and governance standards. The Back Office Committee is responsible for supervising and coordinating the activities of the affiliated offices to ensure operational efficiency, regulatory compliance, financial transparency, and sustainability. The committee's primary responsibility is to facilitate communication and collaboration between the various offices.

MIDDLE OFFICE COMMITTEE: The Middle Office Committee ("MOC") is within the Company's Middle Office division. The committee's mission is to supervise and ensure the proper functioning of the Compliance, Risk, and Commitment services. It is responsible for ensuring compliance with regulations related to the

conformity of operations, risk management, and financial commitments, in line with internal policies and procedures and external regulations.

FRONT OFFICE COMMITTEE: The Front Office Committee ("FOC") is the committee of the Front Office division responsible for providing opinions related to its division. Members of the FOC offer observations on a project after the services of the Front Office division have provided feedback on their functions, and, in agreement with all members of the FOC, propose the final resolution to the FOC President. The goal of the FOC is to deliberate, with either positive or negative opinions or votes, on the conditions related to each project in marketing, client relations, and portfolio management.

MANAGEMENT COMMITTEE: The Management Committee ("MCO") functions as the technical committee responsible for providing opinions on the commitments of the ETC group. The members of the MCO review and provide feedback on reports presented by the Front Office Committee, Middle Office Committee, and Back Office Committee. Their observations contribute to the decision-making process and ensure alignment with the organization's strategic objectives.

SECTION THREE

THE ORGANIZATION, MANAGEMENT, AND CONTROL MODEL – DRAFTING PROCESS

The Model, inspired by the Guidelines of Confindustria and Assogestioni, was developed taking into account the structure and activities carried out by the Company, as well as the nature and size of its organization.

For the purpose of the Model's development process, the following steps were taken:

(A) A preliminary analysis of the business context, particularly focusing on, by way of example (although not exhaustively), the following:

- the corporate context;
- the sector of belonging;
- the organizational structure;
- the legal relationships with third parties;
- the typical methods of conducting business; and
- the formalized and widespread practices and procedures within the Company for carrying out business activities.

(B) the conducting of interviews with the main corporate functions, aimed at identifying:

- the potential areas of risk-crime that can be identified in the exercise of the company's activities;
- the sensitive activities, i.e., the areas within the company where there is a higher likelihood of committing the crimes considered relevant for the Company under the Decree;
- the possible methods of committing the crimes deemed relevant for the Company under the Decree in relation to the sensitive activities mentioned above; and
- the existing internal control systems.

(C) reviewing the documentation provided by the Company.

In light of the activities listed above (the so-called Risk Assessment), the document "ANALYSIS OF CRIMINAL RISKS - FAMILIES OF CRIMES – 3 DECEMBER 2024" (attached to this Model, for which further details and clarifications are provided) has been prepared to assess the Company's exposure to the risk of committing relevant criminal offenses under the Decree.

Based on the results of this assessment activity, the Company, in accordance with Article 6, paragraph 2, letter a) of the Decree, has developed protocols for each family of crimes whose risk level of commission has been assessed as low, medium, or high.

Specifically, the protocols identify:

- the sensitive activities, i.e., those activities where the execution is associated with the risk of committing the relevant predicate offenses considered from time to time;
- the corporate bodies and business functions involved in carrying out the "sensitive" activities that could, in theory, commit the relevant predicate offenses considered from time to time; and
- the illustration of the unlawful conduct whose realization would result in the recognition of the Company's liability under the Decree.

RISK ANALYSIS OF NEW RELEVANT OFFENSES UNDER THE DECREE - DECEMBER 3, 2024

The Company:

- Following the legislative interventions that have taken place since the approval of the first version of the Model (i.e., December 22, 2021), which introduced new relevant offenses under the Decree; and

- In response to the changes in the Company's administration and control system as well as its organizational structure,

has prepared the attached document titled "RISK ANALYSIS OF NEW RELEVANT OFFENSES UNDER THE DECREE - DECEMBER 3, 2024" (an annex to this Model, for which further details or clarifications can be found) concerning the assessment of the level of exposure to the risk of committing the new relevant offenses under the Decree.

PURPOSE OF THE MODEL

The Model prepared by the Company, based on the identification of potential risk areas within the business activity where the likelihood of committing crimes is higher, has the following objectives:

- a. Establish a prevention and control system aimed at reducing the risk of committing crimes related to the business activity;
- b. Make all those who act on behalf of the Company, particularly those engaged in "high-risk areas," aware that violations of the provisions in the Model may result in criminal and administrative penalties, not only against them but also against the Company; and
- c. Confirm that the Company does not tolerate illicit behavior of any kind and regardless of any objectives, and that such behavior (even if the Company could seemingly benefit from it) is in contradiction with the principles guiding its business activities..

THE STRUCTURE OF THE MODEL AND THE RELEVANT PRELIMINARY OFFENSES FOR ITS FORMULATION

The Company's Model is composed of the following:

- **General Part**, which outlines the key principles of the Model, including the normative framework, objectives, addressees, essential components, requirements, powers, and functions of the Supervisory Body, the sanctioning system, as well as the process of implementation and adoption of the Model.

and

Special Part, which is divided into specific protocols related to the categories of crimes deemed relevant for the Company.

The following categories of crimes have been deemed relevant, or at "risk of commission," by the Senior and Subordinate Subjects:

- CRIMES AGAINST THE PUBLIC ADMINISTRATION
- CORPORATE CRIMES
- TAX CRIMES
- CRIMES OF RECEIVING STOLEN GOODS, MONEY LAUNDERING, USE OF MONEY, GOODS, OR OTHER UTILITIES OF ILLEGAL ORIGIN, AND SELF-LAUNDERING

This catalog of crime categories is outlined as such because, considering that the Company's business activity consists of consultancy and technical-financial management of international exchanges and investments, with an exclusive operational focus on African markets, the additional categories of crime outlined in the Decree were not deemed relevant for the formulation of the Special Part of the Model.

ADOPTION OF THE MODEL

The adoption of this Model is entrusted to the competence of the governing body, specifically the Board of Directors of the Company, which is responsible for approving it through a formal resolution.

The Board of Directors is also responsible for making any subsequent modifications and additions to the Model to ensure its continued alignment with the requirements of the Decree and any changes in the business or regulatory conditions.

On October 29, 2021, and subsequently on December 3, 2024, the Board of Directors of the Company updated the Code of Ethics, which contains the ethical and behavioral principles that all recipients (explicitly identified in Section 1) must adhere to in their conduct on behalf of the Company or its subsidiaries (the "**Code of Ethics**").

The Code of Ethics complements the Model with respect to matters not directly regulated by it.

THE RECIPIENTS

The provisions of this Model are binding for the Directors and for all individuals who hold positions of representation, administration, and management, or governance and control, even in fact, for employees (defined as all those bound to the Company by an employment relationship, including executives), for external collaborators subject to the direction or supervision of the Company's senior figures, and, in any case, for those who act in the name and on behalf of the Company (hereinafter, the "**Recipients**").

TRAINING AND INFORMATION FOR SENIOR AND SUBORDINATE PERSONNEL

The Company, aware of the importance that informational aspects assume in a prevention perspective, defines a communication program aimed at ensuring the dissemination of the Model's content, prescriptions, and obligations to Senior and Subordinate Personnel (hereinafter "Persons").

To this end, it undertakes specific communication activities regarding the Model, such as:

- Transmission via e-mail, fax, post, or personal delivery (the delivery receipt must be verifiable through mechanisms – including digital – that prove the actual and conscious receipt);
- Insertion, in the contracts signed by the Company, of specific clauses that stipulate the need for awareness, sharing, and acceptance of the Model's prescriptions.

Additionally, the Company establishes the training of the Recipients on the principles and prescriptions contained in the Model as a necessary condition for the effective implementation of the activities aimed at evaluating, preventing, and reducing the risk of committing the crimes envisaged by the Decree. For these reasons, the planning and organization of the training activities are as follows:

- a) It foresees differentiated interventions based on:
 - the role and responsibilities of the individuals;
 - whether or not they belong to the category of individuals performing activities at risk of crime;
 - the operational methods employed in carrying out their duties.
- b) to answer to:
 - a need for customization of the paths, and
 - a need for raising awareness of the criminal offenses that may be committed in the different business processes.
- c) establishes:
 - a schedule of meetings aimed at illustrating the individual components of the organizational Model and the specific preventive objectives it is intended to achieve.

Participation in the training sessions described above (mandatory) is formalized by requesting the signature of attendance and the inclusion of participants' details in a dedicated database.

INFORMATION AND DISSEMINATION OF THE MODEL TO THIRD PARTIES

The widespread dissemination of the ethical and behavioral principles of the corporate organization is a key condition for the establishment or continuation of

business relationships with third parties (i.e., those who, directly or indirectly, permanently or temporarily, engage in relationships with the Company or otherwise act to pursue its objectives).

For this reason, the Company includes in its respective contractual texts clauses aimed at:

- a. Informing the counterparties that the Company, in accordance with the provisions of the Decree, has adopted an organization, management, and control Model;
- b. Requesting and encouraging the counterparties to review the contents of the Code of Ethics adopted by the Company, which is publicly accessible on the Company's website, and informing them that violating these ethical and behavioral principles may lead to the discontinuation of business relationships.

THE SYSTEM OF DELEGATIONS AND POWERS OF ATTORNEY

The Company, in order to ensure a structured and organic segmentation of roles and responsibilities (so-called *segregation of duties*), has formalized a system of delegations (internal act of assigning functions and tasks) and powers of attorney (unilateral legal act through which the Company grants representation powers to third parties), the definition of which allows the implementation and execution of:

- Operational efficiency, and
- Effectiveness of the decision-making process.

In compliance with the principle of traceability of every operation, activity, and decision, the Company has a system of delegations and powers of attorney that is traceable at every stage, analytically documented, and meticulously reconstructible afterwards.

Each of the above acts (delegations and powers of attorney) must include the following indications:

- a. Delegated subject, with explicit reference to the function assigned to this subject and the connection between the delegations and powers of attorney granted and the organizational position held by the delegated subject;
- b. Delegating subject and the source of their delegation or power of attorney;
- c. Object, consisting of the enumeration of the types of activities and acts for which the delegation or power of attorney is granted. These activities and acts are always functional and closely related to the competencies and functions of the delegated subject;
- d. Value limits within which the delegate is authorized to exercise the powers granted to them;

- e. Indication of the application of sanctions in case of violation of the "boundaries" of the functions granted through delegation, and;
- f. Indication of the duty of supervision by the delegating subject over the actions of the delegated subject..

REPRESENTATION OF THE COMPANY IN THE ADMINISTRATIVE OFFENSE ESTABLISHMENT PROCEDURE DERIVING FROM CRIMINAL OFFENSES

Article 39 of the Decree, given the impersonal structure (i.e., lack of physicality) of the Entity, establishes that it "*participates in the criminal proceeding with its legal representative.*"

The same provision also regulates the scenario where the legal representative is also charged with the same offenses for which the Entity is being prosecuted. Specifically, Article 39 of the Decree prohibits the participation of the legal representative in the procedure for determining the administrative offense of the Entity arising from a crime if "the legal representative is accused of the crime from which the administrative offense arises."

This prohibition is intended to avoid a clear and irreconcilable conflict of interest within the Entity's organizational structure.

Based on this premise, the Company, if potentially subject (as the defendant or accused) to the procedure for determining the administrative offense of the Entity arising from a crime, in order to safeguard against potential conflicts of interest (in cases where the legal representative is also under investigation/accused for the same matter), has defined the following organizational measures:

1. In the case of a proceeding involving a board member with representative powers for the Company, the appointment of the Company's defense counsel shall be entrusted to one of the other board members who hold representative powers.
2. In the case of a proceeding involving all board members with representative powers for the Company, the management control committee must promptly convene the Shareholders' Meeting to decide on the appointment of the Company's defense counsel.

SECTION FOUR

THE SUPERVISORY BODY

Article 6, letter b) of the Decree requires, as a necessary condition for the exemption from administrative liability, the mandatory establishment of an internal body within the entity, specifically: "*the task of overseeing the functioning and*

compliance with the models, as well as ensuring their update, has been entrusted to an entity's body endowed with autonomous powers of initiative and control."

CHARACTERISTICS OF THE SUPERVISORY BODY

According to the provisions of the Decree, as well as the guidelines set forth by Confindustria and Assogestioni, the requirements for the Supervisory Body, ensuring the effective and efficient implementation of the Model, must be:

- a) Autonomy and independence;
- b) Professionalism; and
- c) Continuity of action.

a) Autonomy and independence

These requirements are met only when the Supervisory Body (OdV) is granted:

- Control initiative, free from interference or conditioning;
- Full freedom of judgment with respect to the subjects under control;
- The necessary financial resources to best carry out its function; and
- A reporting function to the highest operational level of the company, i.e., the board of directors (as a whole).

For independence, it is therefore essential that the OdV is not directly (or indirectly) involved in the business management activities that are the subject of its control functions, as this would compromise the objectivity of its judgment.

b) Professionalism

The Supervisory Body (OdV) must possess the professional, technical, and practical competencies appropriate for the functions it is called upon to perform. It may also rely on the technical support of internal or external individuals to the company.

c) Continuity of action

Continuity of action should not be interpreted as "continuous operation," as such an interpretation would require an OdV (Supervisory Body) to be entirely internal to the entity, which could reduce the necessary independence that should characterize the OdV itself. Continuity of action means that the activity of the OdV should not be limited to occasional meetings of its members, but should be organized according to an activity plan, with actions to monitor and analyze the entity's preventive control system.

NOMINATION AND COMPOSITION

In the absence of specific guidelines in the Decree, the Company is required to define the composition of the OdV based on its dimensional characteristics.

The Board of Directors, through a specific resolution, appoints the members of the OdV:

- who must possess the aforementioned requirements referred to in letters a), b), and c); and
- to whom the tasks set out in the Decree are entrusted.

At the discretion of the Board of Directors, the OdV may be composed of:

- one member (single-member OdV); or
- two members, one of whom serves as the chairperson of the body. This role is appointed by the Board of Directors through a resolution (collegial OdV).

It is worth noting that if the OdV is collegial, in case of conflict or differing opinions, the chairperson's opinion will prevail.

DURATION OF OFFICE, REVOCATION, EXPIRE AND REPLACEMENT OF THE MEMBERS OF THE SUPERVISORY BODY

The Board of Directors, as previously indicated, is responsible for the appointment of the members of the Supervisory Body (OdV) through a specific resolution that determines their term of office.

The members of the OdV remain in office for the entire duration of their mandate, regardless of any changes in the composition of the Board of Directors that appointed them.

In order to ensure the continuity of the Supervisory Body's actions, the OdV continues to perform its functions on an interim basis until a new appointment is made.

The OdV is required to meet at least three times per year (it is specified that meetings can also be held via video or audio conference).

The OdV shall be dismissed from office if it is determined that:

- a. the occurrence of events incompatible with the requirements of autonomy, initiative and control, professionalism, integrity, independence, and continuity of action, which are inherent to the body
- b. serious failures to fulfill their duties and perform their functions (for example, neglecting or insufficient supervision);
- c. the application of a personal precautionary measure under Articles 272 et seq. of the Italian Penal Code, including the precautionary personal interdiction under Article 290 of the Penal Code, which entails a temporary ban on engaging in certain professional or entrepreneurial activities;

- d. the application of one of the preventive measures provided for by Legislative Decree No. 159/2011 (so-called Anti-Mafia Code) and subsequent amendments;
- e. the pronouncement of a judgment, including a sentence with penalty application upon request of the parties pursuant to Articles 444 et seq. of the Italian Criminal Procedure Code (so-called "plea bargain"), containing a conviction, even if not definitive, for one of the crimes foreseen by the Decree;
- f. a conviction, even if not definitive, to a penalty that entails disqualification, even temporary, from public office or temporary disqualification from executive roles in legal entities and companies.

In case of resignation, subsequent incapacity, death, or expiration of the term of the OdV, prompt notification will be given to the board of directors, which will proceed with its replacement at the next available board meeting.

FUNCTIONS AND POWERS OF THE SUPERVISORY BODY

The OdV is entrusted with the task of overseeing:

- a. The effectiveness and adequacy of the Model in relation to the company's structure and the areas of crime risk identified in the exercise of the company's activities, in order to define an appropriate mapping of control and prevention systems; and
- b. The opportunity for updating and implementing the Model, where adjustments are needed due to changes in company conditions or regulations.

On a more operational level, the Supervisory Body is tasked with:

- Promoting adequate initiatives to spread knowledge and understanding of the Model, in order to educate the Recipients about evaluation and prevention operations concerning the commission of unlawful conduct;
- Coordinating with the main company functions (as identified by them) at least once a year to assess the effectiveness of the Model and, if necessary, align it with any measures adopted at the group level;
- Evaluating reports of potential violations and non-compliance with the Model;
- Ensuring that violations of the Model are effectively and adequately sanctioned.

REPORTING OF THE SUPERVISORY BODY TOWARDS THE CORPORATE BODIES

To ensure full autonomy and independence in carrying out its functions, the Supervisory Body (OdV) communicates directly with the Board of Directors of the Company.

Specifically, the OdV reports to the Board of Directors on the status of the implementation of the Model and the outcomes of the monitoring activities performed through the following methods:

- Annually, to the Board of Directors, through a written report in which the monitoring activities carried out by the body are illustrated, the issues that have emerged, and any corrective or improvement actions deemed necessary for the implementation of the Model.
- Occasionally, to the Management Control Committee, when necessary, regarding alleged violations committed by the company's top management or Board members. The OdV may receive requests for information or clarification from the Management Control Committee regarding these alleged violations.

The OdV can be called upon at any time by the Board of Directors or the Management Control Committee. Similarly, it may request to be heard by these bodies if it considers it necessary to report on matters related to the functioning and effective implementation of the Model or specific situations.

To ensure proper and effective information flow and to fully and correctly exercise its duties, the OdV is also entitled to request clarifications or information directly from the individuals with primary operational responsibilities.

The *reporting* activity described above is documented through meeting minutes (the OdV may appoint a secretary, even external to the Company), and these minutes are kept on record within the body (in the so-called OdV minute book). The documentation must be preserved and protected by the OdV, which may establish appropriate procedures for its storage and archiving.

INFORMATION FLOWS TO THE SUPERVISORY BODY BY THE RECIPIENTS

The definition of a procedure for managing and monitoring information flows (established through a service order by the CEO or the Board of Directors) is of primary importance in terms of compliance, as it enables the structuring of the verification process regarding the adequacy of the Model.

To the OdV must be transmitted:

1. Communications and information identified by the Supervisory Body itself, by the competent corporate functions or any outsourced resources of the Company.

2. Communications and information within the timeframes, methods, and topics defined by the Supervisory Body itself.;
3. All information and communications must be stored by the OdV in a dedicated electronic register.

To ensure a correct and effective information flow, the annex to this Model, titled "*INFORMATION FLOWS TO THE SUPERVISORY BODY*," specifies the type of communications and information that the OdV intends to receive from the competent corporate functions or any outsourced resources, as well as the required frequency of such submissions.

Finally, it should be noted that the OdV is always entitled to request clarifications or information, as well as the presentation and delivery of acts and documents, from any subject within the corporate structure.

THE REPORTING SYSTEM

In order to implement the provisions of Legislative Decree No. 24 of March 10, 2023, "Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council, of October 23, 2019, on the protection of persons who report breaches of Union law and containing provisions concerning the protection of persons who report breaches of national legal provisions," as well as the provision of Article 6, paragraph 2-bis, of the Decree (which establishes that the organizational model must provide, "pursuant to the legislative decree implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, the internal reporting channels, the prohibition of retaliation, and the disciplinary system"), the Company:

- Has prepared a specific procedure titled "Whistleblowing Procedure," which is referenced for any further details or clarifications (attached to this Model).
- Has activated its own reporting channel, enabling the Recipients and the individuals identified in the Whistleblowing Procedure to report information (including well-founded suspicions) that they become aware of in the work context, concerning violations (committed or, based on concrete elements, potentially to be committed) of national or European Union legal provisions that harm the Company's interests or integrity.

The reporting channel is accessible via the following link: odv@etcgroup.it.

This electronic channel, through the use of encryption tools, ensures the confidentiality of the identity of the whistleblower, the person involved, and any person mentioned in the report, as well as the content of the report and the related documentation.

Reports can be submitted in written form (via the link mentioned above) or orally (by contacting the following phone number: +39 351 2086091).

- The Company has designated the OdV as the party responsible for handling reports, duly authorized by the Company to process the personal data contained in the reports (the whistleblower may request a direct meeting with the OdV). The methods for managing reports by the OdV are outlined in the Whistleblowing Procedure.

The OdV, along with any potential third parties involved in the handling of reports in any capacity, is required to maintain the utmost confidentiality regarding the individuals (both whistleblowers and those reported) and the facts subject to the report (except as required by legal obligations).

- The Company has established a prohibition against any form of retaliation against the recipients of the Whistleblowing Procedure and ensures the application of protective measures as outlined in Legislative Decree No. 24 of March 10, 2023.

Finally, it is worth noting that the Company, in compliance with Legislative Decree No. 24 of March 10, 2023, provides for the implementation of sanctions pursuant to the disciplinary system outlined in this Model (specifically, Section Five) in cases of conduct carried out in violation of this Model and the Whistleblowing Procedure.

SECTION FIVE

DISCIPLINARY SYSTEM

The establishment of a disciplinary system, applicable in the event of violations of the provisions of this Model (including those in the supporting documentation forming part of it), is a necessary condition for ensuring its effective implementation and a fundamental requirement for enabling the Company to benefit from exemption from administrative liability.

The application of disciplinary sanctions is independent of the initiation or outcome of any criminal proceedings that may be initiated in cases where the violation constitutes a criminal offense under the Decree. Failure to comply with the rules contained in the Model (including those in the supporting documentation forming part of it) inherently undermines the trust relationship with the Company and justifies the adoption of disciplinary actions.

Sanctions are differentiated based on the nature of the relationship between the violator and the Company, as well as the significance and severity of the violation committed, the role, and the responsibilities of the violator.

By way of general and illustrative example, the following constitutes a "violation" of this Model:

- a. The implementation of actions or behaviors that are not in compliance with the law and the provisions contained in the Model (including those in the supporting documentation forming part of it), which create a mere risk of committing one of the offenses contemplated by the Decree;;
- b. The omission of actions or behaviors prescribed in the Model (including those in the supporting documentation forming part of it), which create a mere risk of committing one of the offenses contemplated by the Decree.

It is important to note that the disciplinary system described below cannot be used or exploited as a retaliatory or discriminatory measure against individuals who report – through the dedicated channels – information (including well-founded suspicions) regarding violations (committed or, based on concrete elements, potentially committed) and non-compliance with the provisions contained in the Model.

SANCTIONS FOR EMPLOYEES

The violation by employees of the provisions contained in the Model (including those in the supporting documentation forming part of it) constitutes a disciplinary offense.

The disciplinary measures that may be imposed on these workers – in compliance with the procedures set forth in Article 7 of Law No. 300 of May 30, 1970 (Workers' Statute) and any applicable special regulations – are those provided for in the disciplinary framework of the National Collective Bargaining Agreement (CCNL), with all its provisions remaining in force.

In particular, the CCNL provides for the following measures depending on the severity of the infractions:

- a. verbal warning;
- b. written reprimand;
- c. penalty;
- d. suspension from work and pay;
- e. disciplinary dismissal for just cause.

For disciplinary actions more severe than a verbal reprimand, a written notice must be issued to the employee, specifying the facts constituting the infraction.

In cases where the alleged infraction is serious enough to potentially lead to dismissal, the employee may be suspended from work on a precautionary basis until the disciplinary action is imposed, with the employee's right to remuneration being maintained during the suspension period.

The disciplinary action must be justified and communicated in writing. The employee may present their justifications, including verbally.

An excerpt from the CCNL related to the disciplinary system mentioned above is posted on company bulletin boards or otherwise appropriately disseminated by the Company, including through electronic channels.

SANCTIONS AGAINST DIRECTORS

In the event of a confirmed violation of the provisions of the Model (including those in the supporting documentation forming part of it) by one or more Directors, the Supervisory Body promptly informs the entire Board of Directors and the Management Control Committee, so that they may take or promote the most appropriate and adequate actions, in relation to the severity of the identified violation.

SANCTIONS AGAINST THE MANAGEMENT CONTROL COMMITTEE

In the event of a violation of this Model (including those in the supporting documentation forming part of it) by the Management Control Committee, the Supervisory Body informs the entire Board of Directors. The Board then takes appropriate measures, including, for example, convening a shareholders' meeting to adopt the most suitable actions provided by law.

SANCTIONS AGAINST THIRD PARTIES

In the contracts and agreements entered into with third parties, specific clauses must be included to::

- a. Inform the counterparts that the Company, in accordance with the provisions of the Decree, has adopted an Organization, Management, and Control Model;
- b. Request and encourage the counterparts to review the contents of the Ethical Code adopted by the Company, which is publicly accessible on the company's website, informing them that the violation of these ethical conduct principles may result in the termination of commercial relations..

ANNEX

ANNEX 1

RISK ANALYSIS OF OFFENSES – CATEGORIES OF OFFENSES – DECEMBER 3, 2024

ANNEX 2

RISK ANALYSIS OF NEW RELEVANT OFFENSE CATEGORIES PURSUANT TO THE DECREE – DECEMBER 3, 2024

ANNEX 3

INFORMATION FLOWS TO THE SUPERVISORY BODY

ANNEX 4

WHISTLEBLOWING PROCEDURE

IT IS SPECIFIED THAT ANY POLICY, PROTOCOL, OR PROCEDURE ADOPTED BY THE GROUP TO REGULATE THE OPERATIONAL PRACTICES TO BE FOLLOWED IN CARRYING OUT THE COMPANY'S ACTIVITIES IS AN INTEGRAL AND ESSENTIAL PART OF THIS MODEL.

Presidency

Signed by:
Anco Marzio Lenardon
0D185F6785B047A...



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