



**NASTROTEX**  
CUFRA SPA

# **NASTROTEX-CUFRA S.P.A.**

## **ORGANISATION, MANAGEMENT AND CONTROL MODEL**

**pursuant to Legislative Decree 231/2001**

**Approved by the Board of Directors of Nastrotex Cufra S.p.A. on 28/04/2022**

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# **GENERAL PART**

## Definitions and abbreviations

**Sensitive activities:** the company activities in which the opportunities, conditions and tools for the commission of crimes could potentially occur.

**CCNL:** the National Collective Labour Agreement, which can be applied respectively to the employees of Nastrotex-Cufra S.p.A. or the National Collective Labour Agreement for the textile industry;

**Code of Ethics:** the Code of Ethics adopted by the Company to define the principles of conduct that must be followed by directors, employees, suppliers, consultants and collaborators.

**Board of Directors (also BoD or Executive Body):** the Board of Directors of Nastrotex-Cufra S.p.A.

**Collaborators and/or consultants:** individuals who maintain collaborative relationships with the Company without being employed, which take the form of a professional service of a non-employment nature, both continuous and occasional, as well as those who, by virtue of specific mandates and powers of attorney, represent the Company to third parties.

**Decree or Legislative Decree 231/2001:** Legislative Decree 8 June 2001 no. 231, containing the *"Discipline of the administrative liability of legal persons, companies and associations even without legal personality, pursuant to art. 11 of the law dated 29 September 2000, no. 300"*, in the content in force from time to time.

**Recipients:** the subjects to whom the provisions of this Model apply.

**Employees:** natural persons subject to the management or supervision of subjects who hold representation, administration or management functions in the Company, i.e. all subjects who maintain a subordinate employment relationship, of any kind, with the Company.

**Providers:** those who supply goods or services in favour of Nastrotex-Cufra S.p.A.

**Person in charge of a public service:** someone who *"in any capacity provides a public service"*, meaning an activity regulated in the same forms as the public function, but characterised by the lack of typical powers of this (art. 358 of the Italian Criminal Code).

**Organisation, Management and Control Model (also Model):** this Organisation, Management and Control Model adopted pursuant to Articles 6 and 7 of Legislative Decree 231/2001.

**Supervisory Body (also Body or SB):** the Body of the Entity equipped with autonomous powers of initiative and control, with the task of supervising the functioning and compliance with of the Model, as well as reporting the need for updating to the Board of Directors.

**Public Administration, PA or Public Bodies:** the Public Administration, including the related officials and persons in charge of a public service.

**Public official:** anyone who *"exercises a legislative, judicial or administrative public function"* (Article 357 of the Italian Criminal Code).

**Brokers or Business Partners:** third parties who support the Company in finding customers both in Italy and abroad.

**Crimes:** these are the types of crime to which the provisions of the Legislative Decree 231/2001 apply, also following its subsequent modifications or additions.

**Company (also Nastrotex or Nastrotex-Cufra):** Nastrotex-Cufra S.p.A. with registered office in via S.S. Soncinese 498, 2 - 24050 Covo (BG).

**Top management:** persons who have the roles of representation, administration or management of the Company or of a unit with financial and functional autonomy, as well as persons who exercise, even de facto, the management or control of the Company.

**Subordinates:** persons subject to the direction or supervision of one of the persons referred to in the point above.

# 1. Legislative Decree no. 231 of 8 June 2001

## 1.1 The general principles

Legislative Decree no. 231 of 8 June 2001 (hereinafter the “Decree” or “Legislative Decree 231/2001”) has introduced into our legal system the administrative liability of legal persons, companies and associations even without legal personality (hereinafter “Entities”) in the event of the commission or attempted commission of certain types of crimes or administrative offences in the interest or for the benefit of the Entity by:

- subjects who perform functions of representation, administration or management of the Institution or of one of its Organisational Units with financial and functional autonomy, as well as natural persons who exercise, even de facto, the management and control of the same (the so-called “Top Management”);
- subjects “Subjected” to the direction or supervision of the persons referred to in the point above.

This is a liability that, despite having been defined by the legislator as “administrative”, has some characteristics of criminal liability because:

- it results in the commission of offences;
- it is ascertained by the criminal judge (in the course of a proceeding in which the procedural provisions relating to the accused apply to the Body, where compatible).

The Decree aimed at adapting the internal legislation on the liability of legal persons to some international conventions to which Italy had long adhered.

The responsibility of the Entity, pursuant to the Decree, is added to and does not replace that (criminal) of the offender: both the natural person and the legal person will, therefore, be subject to criminal proceedings.

## 1.2 The “catalogue” of offences and administrative offences relevant for the purposes of the Decree

The liability of the Entity exists only for those crimes (committed or attempted) expressly provided for by the legislator.

In particular, these are the following offences and administrative offences:

### Offences against the Public Administration and its assets (Articles 24 and 25 of the Decree)

- Embezzlement of public funding (art. 316-*bis* of the Italian Criminal Code);
- Undue receipt of public funding (Article 316-*ter* of the Italian Criminal Code);

- Fraud against the State or another public body or the European Communities (art. 640, par. 2, no. 1, of the Italian Criminal Code);
- Aggravated fraud for obtaining public disbursements (art. 640-*bis* of the Italian Criminal Code);
- Computer fraud to the detriment of the State or other public body (art. 640-*ter* of the Italian Criminal Code);
- Fraud in public supplies (art. 356 of the Italian Criminal Code);
- Fraud against the European Agricultural Fund (art. 2, Law no. 898 of 23 December 1986);
- Official misconduct (art. 317 of the Italian Criminal Code);
- Corruption for the exercise of the function (articles 318 of the Italian Criminal Code);
- Corruption for an act contrary to official duties (articles 319 of the Criminal Code);
- Aggravating circumstances (art. 319-*bis* of the Italian Criminal Code);
- Corruption in judicial acts (Article 319-*ter* of the Italian Criminal Code);
- Bribe to give or promise benefits (art.319-*quater* of the Italian Criminal Code);
- Corruption of a person in charge of a public service (art. 320 of the Italian Criminal Code);
- Penalties for the corruptor (art. 321 of the Italian Criminal Code);
- Incitement to corruption (art. 322 of the Italian Criminal Code);
- Embezzlement, bribery, bribery to give or promise benefits, corruption and instigation to corruption of members of international courts or bodies of the European Communities or of international parliamentary assemblies or international organisations and officials of the European Communities and foreign States (Article 322-*bis* of the Italian Criminal Code);
- Trafficking in illicit influence (art. 346-*bis* of the Italian Criminal Code);
- Misappropriation (art. 314, par. 1, of the Italian Criminal Code);
- Misappropriation through the profit of the error of others (art. 316 of the Italian Criminal Code);
- Abuse of office (article 323 of the Italian Criminal Code).

#### Computer crimes and unlawful processing of data (art. 24-*bis* of the Decree)

- Computer documents (art. 491-*bis* of the Italian Criminal Code);
- Abusive access to a computer or telematic system (615-*ter* of the Italian Criminal Code);
- Unlawful possession, dissemination and installation of equipment, codes and other means suitable for access to computer or telematic systems (615-*quater* of the Italian Criminal Code);



- Unlawful possession, dissemination and installation of computer equipment, devices or programmes aimed at damaging or interrupting a computer or telematic system (*615-quinquies* of the Italian Criminal Code);
- Illegal interception, impediment or interruption of computer or telematic communications (*art.617-quater* of the Italian Criminal Code);
- Unlawful possession, dissemination and installation of equipment and other means to intercept, prevent or interrupt computer or telematic communications (*art.617-quinquies* of the Italian Criminal Code);
- Damage to information, data and computer programmes (*art. 635-bis* of the Italian Criminal Code);
- Damage to information, data and computer programmes used by the State or by another public body or in any case of public utility (*Article635-ter* of the Italian Criminal Code);
- Damage to computer or telematic systems (*art.635-quater* of the Italian Criminal Code);
- Damage to computer or telematic systems of public utility (*art.635-quinquies* of the Italian Criminal Code);
- Computer fraud of the electronic signature certifier (*art.640-quinquies* of the Italian Criminal Code);
- Obstacle or conditioning of the completion to the cybernetic national security measures (*art. 1, par. 11, Legislative Decree 105/2019*).

#### Organised crime offences (*Article24-ter* of the Decree)

- Criminal conspiracy (*art. 416* of the Italian Criminal Code);
- Mafia-type association, including foreigners (*art. 416-bis* of the Italian Criminal Code);
- Political-mafia electoral exchange (*art. 416-ter* of the Italian Criminal Code);
- Kidnapping for the purpose of extortion (*art. 630* of the Italian Criminal Code);
- Association aimed at illicit trafficking in narcotic drugs or psychotropic substances (*art. 74* of Presidential Decree no. 309 of 9 October 1990);
- All crimes, if committed using the conditions provided for by *art. 416-bis* of the Italian Criminal Code to facilitate the activity of the associations provided for by the same article (*Law 203/91*);
- Illegal manufacture, introduction into the State, sale, transfer, possession and carrying in a public place or open to the public of weapons of war or war type or parts thereof, explosives, clandestine weapons as well as several common firearms excluding those provided for in article 2, third paragraph, of Law no. 110 of 18 April 1975 (*art. 407, par. 2, letter a), number 5*], of the Code of Criminal Procedure).

Crimes of counterfeiting of coins, public credit cards, revenue stamps and instruments or signs of recognition (Article 25-bis of the Decree)

- Counterfeiting of coins, spending and introduction into the State, after consultation, of counterfeit coins (art. 453 of the Italian Criminal Code);
- Alteration of coins (art. 454 of the Italian Criminal Code);
- Spending and introduction into the State, without agreement, of counterfeit coins (art. 455 of the Italian Criminal Code);
- Spending of counterfeit coins received in good faith (art. 457 of the Italian Criminal Code);
- Counterfeiting of revenue stamps, introduction into the State, purchase, possession or circulation of counterfeit revenue stamps (art. 459 of the Italian Criminal Code);
- Counterfeiting of watermarked paper in use for the manufacture of public credit cards or revenue stamps (art. 460 of the Italian Criminal Code);
- Manufacture or possession of watermarks or instruments intended for counterfeiting coins, revenue stamps or watermarked paper (art. 461 of the Italian Criminal Code);
- Use of counterfeit or altered stamp duty (art. 464 of the Italian Criminal Code);
- Counterfeiting, alteration or use of trademarks or distinctive signs or patents, models and designs (art. 473 of the Italian Criminal Code);
- Introduction into the State and trade in products with false claims (art. 474 of the Italian Criminal Code).

Crimes against industry and commerce (art. 25-bis.1 of the Decree)

- Disruption of the freedom of trade or industry (art. 513 of the Italian Criminal Code);
- Unlawful competition with threat or violence (art. 513-bis of the Italian Criminal Code);
- Fraud against national industries (art. 514 of the Italian Criminal Code);
- Fraud in the exercise of trade (art. 515 of the Italian Criminal Code);
- Sale of non-genuine food substances as genuine (article 516 of the Italian Criminal Code);
- Sale of industrial products with false claims (art. 517 of the Italian Criminal Code);
- Manufacture and trade of goods made by breaching industrial property rights (art. 517-ter of the Italian Criminal Code);
- Counterfeiting of geographical indications or designations of origin of agricultural and food products (art. 517-quater of the Italian Criminal Code).

Corporate offences (Article 25-ter of the Decree)

- False corporate communications (art. 2621 of the Italian Civil Code);

- Minor events (art. 2621-*bis* of the Italian Civil Code);
- False corporate communications of listed companies (art. 2622 of the Italian Civil Code);
- Control prevented (art. 2625, par. 2, of the Italian Civil Code);
- Undue return of contributions (art. 2626 of the Italian Civil Code);
- Illegal distribution of profits and reserves (art. 2627 of the Italian Civil Code);
- Illegal transactions on shares or quotas of the parent company (art. 2628 of the Italian Civil Code);
- Transactions to the detriment of creditors (art. 2629 of the Italian Civil Code);
- Failure to communicate the conflict of interest (art. 2629-*bis* of the Italian Civil Code);
- Formation of fictitious share capital (art. 2632 of the Italian Civil Code);
- Undue distribution of corporate assets by liquidators (art. 2633 of the Italian Civil Code);
- Corruption between private individuals (art. 2635 of the Italian Civil Code);
- Incitement to corruption between private individuals (art. 2635-*bis* of the Italian Civil Code);
- Unlawful influence on the shareholders' meeting (art. 2636 of the Italian Civil Code);
- Money laundering (art. 2637 of the Italian Civil Code);
- Obstacle to the exercise of the functions of public supervisory authorities (art. 2638, paragraphs 1 and 2, of the Italian Civil Code).

Crimes with the purpose of terrorism or subversion of the democratic order (art. 25-*quater* of the Decree)

- Subversive organisations (art. 270 of the Italian Criminal Code)
- Organisations with the purpose of terrorism, including international terrorism or the subversion of the democratic order (art. 270-*bis* of the Italian Criminal Code);
- Assistance to associates (art. 270-*ter* of the Italian Criminal Code);
- Recruitment for the purpose of terrorism, including international terrorism (art. 270-*quater* of the Italian Criminal Code);
- Training for activities with the purpose of terrorism, including international terrorism (art. 270-*quinquies* of the Italian Criminal Code);
- Theft of assets or money subject to seizure (art. 270-*quinquies*.2 of the Italian Criminal Code);
- Conducted for the purpose of terrorism (art. 270-*sexies* of the Italian Criminal Code);

- Attack for terrorist or subversion purposes (art. 280 of the Italian Criminal Code);
- Act of terrorism with lethal or explosive devices (art. 280-*bis* of the Italian Criminal Code);
- Acts of nuclear terrorism (art. 280-*ter* of the Italian Criminal Code);
- Kidnapping for the purpose of terrorism or subversion (art. 289-*bis* of the Italian Criminal Code);
- Kidnapping for the purpose of coercion (art. 289-*ter* of the Italian Criminal Code);
- Instigation to commit any of the crimes provided for in Chapters One and Two (art. 302 of the Italian Criminal Code);
- Political conspiracy by agreement (art. 304 of the Italian Criminal Code);
- Political conspiracy through association (art. 305 of the Italian Criminal Code);
- Armed gang: formation and participation (art. 306 of the Italian Criminal Code);
- Assistance to participants in conspiracy or armed gang (art. 307 of the Italian Criminal Code);
- Financing of conduct for terrorist purposes (Law no. 153/2016, art. 270 *quinquies* 1 of the Italian Criminal Code);
- Possession, hijacking and destruction of an aircraft (Law no. 342/1976, art. 1);
- Damage to ground installations (Law no. 342/1976, art. 2);
- Sanctions (Law no. 422/1989, art. 3);
- Active repentance remedy (Legislative Decree No. 625/1979, art. 5);
- New York Convention of 9 December 1999 (Article 2).

#### Crime of female genital mutilation practices (art. 25-*quater*.1 of the Decree)

- Female genital mutilation practices (art. 583-*bis* of the Italian Criminal Code).

#### Crimes against the individual personality (art. 25-*quinquies* of the Decree)

- Reduction or maintenance in slavery or servitude (art. 600 of the Italian Criminal Code);
- Child prostitution (art. 600-*bis* of the Italian Criminal Code);
- Child pornography (art. 600-*ter* of the Italian Criminal Code);
- Possession of or access to pornographic material (art. 600-*quater* of the Italian Criminal Code);
- Virtual pornography (art. 600-*quater* 1 of the Italian Criminal Code);
- Tourism initiatives aimed at the exploitation of child prostitution (art.600-*quinquies* of the Italian Criminal Code);

- Human trafficking (art. 601 of the Italian Criminal Code);
- Purchase and sale of slaves (art. 602 of the Italian Criminal Code);
- Illegal intermediation and exploitation of labour (art. 603-*bis* of the Italian Criminal Code);
- Luring of minors (art. 609-*undecies* of the Italian Criminal Code).

#### Crimes of market abuse

- Crimes of market abuse (art. 25-*sexies* of the Decree):
- Abuse or unlawful disclosure of inside information. Recommendation or induction of others to the commission of insider dealing (art. 184 TUF);
- Market manipulation (art. 185 TUF);
- Abuse of insider information and unlawful communication of insider information (art. 187-*quinquies* TUF, in relation to art. 14 REG. EU 596/2014);
- Market manipulation (art. 187-*quinquies* TUF, in relation to art. 15 REG. EU 596/2014).

#### Crimes of manslaughter and serious or very serious negligent injuries, committed in violation of the rules for the protection of health and safety at work (art. 25-*septies* of the Decree)

- Manslaughter (art. 589 of the Italian Criminal Code);
- Personal injury through negligence (art. 590 of the Italian Criminal Code).

#### Crimes of receiving stolen goods, money laundering, use of money, goods or utilities of illicit origin, as well as self-laundering (art. 25-*octies* of the Decree)

- Receiving stolen goods (art. 648 of the Italian Criminal Code);
- Recycling (art. 648-*bis* of the Italian Criminal Code);
- Use of money, goods or benefits of illicit origin (art. 648-*ter* of the Italian Criminal Code);
- Self-laundering (art. 648-*ter*.1 of the Italian Criminal Code).

#### Crimes relating to payment instruments other than cash (art. 25-*octies*. 1 of the Decree)

- Improper use and forgery of payment instruments other than cash (art. 493-*ter* of the Italian Criminal Code);
- Possession and dissemination of equipment, devices or computer programmes aimed at committing crimes concerning payment instruments other than cash (art. 493-*quater* of the Italian Criminal Code)<sup>1</sup>;

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<sup>1</sup> In the case aggravated by making a transfer of money, monetary value or virtual currency.

- Computer fraud to the detriment of the State or other public body (art. 640-ter of the Italian Criminal Code)<sup>2</sup>;
- Any other crime committed against public trust, against property or that in any case offends the property envisaged by the criminal code, when it concerns payment instruments other than cash.

#### Crimes relating to copyright infringements (art. 25-novies of the Decree)

- Criminal protection of the rights of economic and moral use (art. 171, paragraph 1, lett. a)-*bis* and paragraph 3, Law 633/1941);
- Criminal protection of *software* and databases (art. 171-*bis*, paragraph 1 and paragraph 2, Law 633/1941);
- Criminal protection of audiovisual works (art. 171-*ter*, Law 633/1941);
- Criminal liability relating to media (art. 171-*septies*, Law 633/1941);
- Criminal liability relating to audiovisual transmissions with conditional access (art. 171-*octies*, Law 633/1941).

#### Crime of inducing not to make statements or to make false statements to the judicial authority (art. 25-decies of the Decree)

- Inducement not to make statements or to make false statements to the judicial authority (art. 377-*bis* of the Italian Criminal Code).

#### Environmental crimes (art. 25-undecies of the Decree)

- These are offences under the Criminal Code and special laws.
- Environmental pollution (art. 452-*bis* of the Italian Criminal Code);
- Environmental disaster (art. 452-*quater* of the Italian Criminal Code);
- Wrongful crimes against the environment (art. 452-*quinquies* of the Italian Criminal Code);
- Trafficking and abandonment of highly radioactive material (art. 452-*sexies* of the Italian Criminal Code);
- Aggravating circumstances (art. 452-*octies* of the Italian Criminal Code);
- Killing, destruction, capture, taking possession of specimens of protected wild animal or plant species (art. 727-*bis* of the Italian Criminal Code);

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<sup>2</sup> In the case aggravated by making a transfer of money, monetary value or virtual currency.

- Destruction or deterioration of habitats within a protected site (art. 733-*bis* of the Italian Criminal Code).
- Import, export, possession for use for profit, purchase, sale, exhibition or possession for sale or for commercial purposes of protected species (Law no. 150/1992, art. 1, art. 2, art.3-*bis* and art. 6);
- Discharges of industrial wastewater containing dangerous substances; discharges to soil, subsoil and groundwater; discharge into sea water by ships or aircraft (Legislative Decree 152/2006, art. 137);
- Unauthorised waste management activities (Legislative Decree 152/2006, art. 256);
- Pollution of soil, subsoil, surface water or groundwater (art. 257, Legislative Decree 152/2006);
- Violation of the reporting obligations, keeping of mandatory registers and forms (art. 258, Legislative Decree 152/2006);
- Illegal waste trafficking (Legislative Decree 152/2006, art. 259);
- Activities organised for the illegal trafficking of waste (art. 452-*quaterdecies* of the Italian Criminal Code);
- False statements on the nature, composition and chemical-physical characteristics of waste in the preparation of a certificate of waste analysis; inclusion in the SISTRI of a false certificate of waste analysis; omission or fraudulent alteration of the paper copy of the SISTRI card - handling area in the transport of waste (Legislative Decree 152/2006, art. 260-*bis*);
- Sanctions (Legislative Decree no. 152/2006, art. 279);
- Deliberate pollution caused by ships (Legislative Decree No. 202/2007, art. 8);
- Negligent pollution caused by ships (Legislative Decree No. 202/2007, art. 9);
- Termination and reduction of the use of harmful substances (Law no. 549/1993, art. 3).

Crime of employment of third-country nationals whose residence is irregular (art. 25-*duodecies* of the Decree)

- Provisions against illegal immigration (art. 12, paragraph 3, 3-*bis*, 3-*ter* and paragraph 5, Legislative Decree no. 286/1998);
- Employment of illegally staying third-country nationals (Article 22, paragraph 12-*bis*, Legislative Decree no. 286/1998).

Crimes of racism and xenophobia (art. 25-*terdecies* of the Decree)

- Propaganda and incitement to commit crimes on the grounds of racial, ethnic and religious discrimination (art. 604-*bis* of the Italian Criminal Code).

Liability of entities for administrative offences dependent on crime [They constitute a prerequisite for entities operating within the virgin olive oil supply chain] (art. 12, Law no. 9/2013)

- Adulteration and counterfeiting of food substances (art. 440 of the Italian Criminal Code);
- Trade in counterfeit or adulterated food substances (art. 442 of the Italian Criminal Code);
- Trade in harmful food substances (art. 444 of the Italian Criminal Code);
- Counterfeiting, alteration or use of distinctive signs of intellectual works or industrial products (art. 473 of the Italian Criminal Code);
- Introduction into the State and trade in products with false signs (art. 474 of the Italian Criminal Code);
- Fraud in the exercise of trade (art. 515 of the Italian Criminal Code);
- Sale of non-genuine food substances as genuine (article 516 of the Italian Criminal Code);
- Sale of industrial products with false claims (art. 517 of the Italian Criminal Code);
- Counterfeiting of geographical indications, designations of origin of agricultural and food products (art. 517-*quater* of the Italian Criminal Code).

Fraud in sports competitions, abusive gambling or betting and gambling exercised by means of prohibited devices (art. 25-*quaterdecies* of the Decree)

- Fraud in sports competitions (art. 1, Law no. 401/1989);
- Unlawful exercise of gambling or betting activities (art. 4, Law no. 401/1989).

Tax offences (art. 25-*quingiesdecies* of the Decree)

- Fraudulent declaration through the use of invoices or other documents for non-existent transactions (art. 2, Legislative Decree 74/2000, paragraphs 1 and 2-*bis*);
- Fraudulent declaration by other means (art. 3, Legislative Decree 74/2000);
- Unfaithful statement (art. 4, Legislative Decree 74/2000)<sup>3</sup>;
- Failure to declare (art. 5, Legislative Decree 74/2000)<sup>4</sup>;
- Issuance of invoices or other documents for non-existent transactions (art. 8, Legislative Decree 74/2000, paragraphs 1 and 2-*bis*);
- Concealment or destruction of accounting documents (art. 10, Legislative Decree 74/2000);

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<sup>3</sup> Where committed in the context of cross-border fraudulent schemes and in order to evade value added tax for a total amount of not less than Euro 10 million.

<sup>4</sup> Where committed in the context of cross-border fraudulent schemes and in order to evade value added tax for a total amount of not less than Euro 10 million.



- Undue compensation (art.10-*quater*, Legislative Decree 74/2000);<sup>5</sup>
- Fraudulent subtraction from the payment of taxes (art. 11, Legislative Decree 74/2000).

#### Smuggling offences (art. 25-*sexiesdecies* of the Decree)

- Smuggling in the movement of goods across land borders and customs areas (art. 282, Presidential Decree no. 73/1943);
- Smuggling in the movement of goods in border lakes (art. 283, Presidential Decree no. 73/1943);
- Smuggling in the maritime movement of goods (art. 284, Presidential Decree no. 73/1943);
- Smuggling in the movement of goods by air (art. 285, Presidential Decree no. 73/1943);
- Smuggling in non-customs areas (art. 286, Presidential Decree no. 73/1943);
- Smuggling for improper use of important goods with customs facilities (art. 287, Presidential Decree no. 73/1943);
- Smuggling in customs warehouses (art. 288, Presidential Decree no. 73/1943);
- Smuggling in small coastal trade and in circulation (art. 289, Presidential Decree no. 73/1943);
- Smuggling in the export of goods allowed to return rights (art. 290, Presidential Decree no. 73/1943);
- Smuggling in temporary import or export (art. 291, Presidential Decree no. 73/1943);
- Smuggling of externally manufactured tobacco (art. 291-*bis*, Presidential Decree no. 73/1943);
- Aggravating circumstances of the crime of smuggling of foreign manufactured tobacco (art. 291-*ter*, Presidential Decree no. 73/1943);
- Association for criminal offences aimed at smuggling foreign manufactured tobacco (art. 291-*quater*, Presidential Decree no. 73/1943);
- Other cases of smuggling (art. 292, Presidential Decree no. 73/1943);
- Aggravating circumstances of smuggling (art. 295, Presidential Decree no. 73/1943).

#### Crimes against cultural heritage (art. 25-*septiesdecies* of the Decree)

- Theft of cultural property (art. 518-*bis*);
- Misappropriation of cultural property (art. 518-*ter*);

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<sup>5</sup> Where committed in the context of cross-border fraudulent schemes and in order to evade value added tax for a total amount of not less than Euro 10 million.

- Reception of cultural goods (art. 518-*quater*);
- Counterfeiting in private writing relating to cultural goods (art. 518-*octies*);
- Violations in the matter of alienation of cultural property (art. 518-*novies*);
- Illegal import of cultural goods (art. 518-*decies*);
- Illegal exit or export of cultural goods (art. 518-*undecies*);
- Destruction, dispersion, deterioration, disfigurement, fouling and illegal use of cultural or landscape assets (art. 518-*duodecies*);
- Counterfeiting of works of art (art. 518-*quaterdecies*).

Crimes of recycling of cultural property, devastation and looting of cultural and landscape property (art. 25-*duodevices* of the Decree)

- Recycling of cultural goods (art. 518-*sexies*);
- Devastation and looting of cultural and landscape assets (art. 518-*terdecies*);

Transnational crimes (art. 10 - Law 146/2006)

- The following crimes are prerequisites for the administrative liability of entities if committed transnationally:
- Criminal conspiracy (art. 416 of the Italian Criminal Code);
- Mafia-type association, including foreigners (art. 416-*bis* of the Italian Criminal Code);
- Association for criminal offences aimed at smuggling foreign manufactured tobacco (art. 291-*quater* of the Consolidated Law referred to in Presidential Decree no. 43 of 23 January 1973);
- Association aimed at illicit trafficking in narcotic or psychotropic substances (art. 74 of the Consolidated Law referred to in Presidential Decree no. 309 of 9 October 1990);
- Provisions against illegal immigration (art. 12, paragraphs 3, 3-*bis*, 3-*ter* and 5, of the Consolidated Law referred to in Legislative Decree 286/1998);
- Inducement not to make statements or to make false statements to the judicial authority (art. 377-*bis* of the Italian Criminal Code);
- Aiding and abetting (art. 378 of the Italian Criminal Code).

The offences and administrative offences referred to above may entail the administrative liability of the Body which, despite having its head office in Italy, have been committed abroad.

### 1.3 The sanctioning system provided for by the Decree

The sanctions provided for by the Decree against the Bodies are: i) financial sanctions, ii) disqualification sanctions, iii) confiscation of the price or profit of the crime, iv) publication of the conviction.

The **financial penalties** apply whenever the liability of the legal person is established and are determined by the criminal court through a system based on "quotas". In calculating the financial penalty, the judge determines the number of shares taking into account the seriousness of the event, the degree of responsibility of the Institution as well as the activity carried out to eliminate or mitigate the consequences of the event and to prevent the commission of further offences; the amount of the share is instead fixed on the basis of the economic and financial conditions of the institution.

The **disqualification sanctions** may be applied in addition to the financial sanctions, but only if expressly provided for the crime for which it is proceeding and only in the event that at least one of the following conditions is met:

- the Body has derived a significant profit from the offence and the offence was committed by a top management or subordinate, but only if the commission of the offence was made possible by serious organisational shortcomings;
- in the event of recurrence of the offences.

They result in the disqualification from the exercise of the business activity; in the suspension and revocation of authorisations, licences or concessions functional to the commission of the offence; in the prohibition of bargaining with the public administration (except to obtain the services of a public service); in the exclusion from benefits, financing, contributions or subsidies and in the possible revocation of those granted; in the prohibition of advertising goods or services.

The disqualification sanctions do not apply (or are revoked, if already applied as a precautionary measure) if the Body, before the declaration of opening of the first instance proceedings, has:

- compensated for the damage or repaired it;
- eliminated the harmful or dangerous consequences of the offence (or, at least, has done so);
- made available to the Judicial Authority, for confiscation, the profit of the crime;
- eliminated the organisational shortcomings that led to the crime, adopting organisational models suitable for preventing the commission of new crimes.

**Confiscation** consists in the acquisition of the price or profit of the offence by the State or in the acquisition of sums of money, property or other benefits of a value equivalent to the price or profit of the offence: it does not, however, invest that part of the price or profit of the offence, which can be returned to the injured party. Confiscation is always arranged with the sentence of condemnation.

The **publication of the sentence** may be imposed when the Body is subject to a disqualification sanction. It is carried out by posting it in the municipality where the Body has its headquarters as well as by publishing on the *website* of the Ministry of Justice.

#### **1.4 The Organisation, Management and Control Model as an exemption from the liability provided for by the Decree**

The Decree provides that the company is not liable to punishment if it proves to have adopted and effectively implemented **models of organisation, management and control suitable to prevent the commission of the crimes that occurred**, without prejudice to the personal responsibility of the person who committed the act.

The legislator, therefore, has given an exemption value to the company's organisation, management and control models in the event that they are suitable for risk prevention, as well as adopted and effectively implemented. The decree also specifies the requirements to be met by the models.

In particular:

- identify the activities in which the offences envisaged by the Decree may be committed;
- provide for specific protocols aimed at planning the formation and implementation of the Body's decisions in relation to the crimes to be prevented;
- identify ways of managing the financial resources necessary to prevent the commission of such crimes;
- provide for information obligations towards the Body responsible for supervising the operation and observance of the Models;
- introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model;
- provide, in relation to the nature and size of the organisation, as well as the type of activity carried out, suitable measures to ensure the performance of the activity in compliance with the law and to promptly discover and eliminate situations of risk.

If the offence is committed by persons who perform functions of representation, administration or management of the Institution or of its organisational unit with financial and functional autonomy, as well as by persons who exercise, even *de facto*, the management and control of the same, the Institution shall not be liable if it proves that:

- the management body has adopted and effectively implemented, before the commission of the event, a Model suitable for preventing crimes of the kind that occurred;
- the task of supervising the operation and observance of the Model and ensuring its updating has been entrusted to a Body of the Body with autonomous powers of initiative and control;

- the parties have committed the offence by fraudulently evading the Model;
- there has been no omission or insufficient supervision by the Supervisory Body with regard to the Model.

If, on the other hand, the offence is committed by persons subject to the direction or supervision of one of the aforementioned persons, the legal person shall be liable if the commission of the offence has been made possible by failure to comply with the obligations of direction and supervision. Such non-compliance is, in any case, excluded if the Body, before the commission of the crime, has adopted and effectively implemented a Model suitable to prevent crimes of the kind that occurred.

## 2 Nastrotex-Cufra S.p.A.

Nastrotex-Cufra S.p.A. is a company that deals with the production of elastic and rigid ribbons and fabrics with natural and synthetic yarns used in the clothing, underwear and footwear sectors.

The Company, in particular, deals with the marketing of its products both for the domestic and foreign market through a specific commercial network that consists, in addition to the company personnel, of a network of agents and local distributors.

The procurement process of the materials to be used in the production activities is of international calibre through the involvement of world-class *partners* .

The internal organisation consists of the following areas:

- Research and development: which aims at researching new materials, study new prototypes and define the technical data sheets and product certification;
- Sales: including the Commercial, Technical and Marketing area;
- Order Development: which acts as a connection between the commercial area and production in order to meet the needs of customers;
- Scheduling: which deals with production planning;
- Purchases: involved in the procurement process of materials for production;
- Production: which deals with the processing of raw materials into the final products marketed by the Company;
- Finance and Control Administration: which deals with administrative, management and accounting aspects;
- Quality and environmental management: Nastrotex is equipped with a Quality and Environmental Management System certified in accordance with international *standards* UNI EN ISO 9001 and UNI EN ISO 14001;
- Information systems.

Nastrotex also identified the centrality of "sustainability" as a primary success factor.

In particular, the investments made by the Company in energy matters (roofing of the plant with a photovoltaic system) allow energy savings and reduce emissions of carbon dioxide into the air as well as attesting to the real commitment of the company in reducing the environmental impact.

In addition to this, Nastrotex-Cufra uses, for the production of some tapes, wires obtained from the recycling of plastic bottles. The wire, in particular, is entirely derived from *post-consumer* recycling material through a mechanical process that does not involve the use of chemicals.

## 2.1 The corporate governance of Nastrotex-Cufra S.p.A.

The Company has a traditional vertical organisational structure.

The Board of Directors, composed of 4 members, is vested with the broadest powers for the ordinary and extraordinary management of the Company and has the right to carry out all the acts it deems appropriate for the implementation and achievement of the corporate purposes, excluding only those that the law or the Articles of Association strictly reserve to the Shareholders' Meeting.

Within the Board of Directors, the figure of the Chairman of the Board of Directors is appointed.

As a supervisory body, Nastrotex has set up a Board of Statutory Auditors which, in addition to the tasks of supervising compliance with the law and the articles of association, compliance with the principles of correct administration and the adequacy of the Company's organisational structure, is also responsible for the statutory audit of the accounts.

## 2.2 The internal control system

In the construction of the Nastrotex-Cufra S.p.A. Model, account was taken of the governance tools of the Company's organisation that guarantee its operation, and in particular:

- **Articles of Association:** which include the various provisions relating to corporate governance aimed at ensuring the proper development of management activities;
- **Organisational system:** composed of the organisational structures/positions and areas of responsibility, represented in the Organisation Chart and which is an integral part of this Model;
- **Code of Ethics:** consisting of a set of rules of conduct and principles of a general nature that all subjects, internal and external, who directly or indirectly have a relationship with Nastrotex must comply with and whose violation involves the application of the sanctioning measures envisaged by the disciplinary system referred to in this Organisation, Management and Control Model;
- **Procedural system:** composed of company procedures aimed at regulating business processes and providing operational procedures and control measures aimed at mitigating risk;
- **Certified Quality and Environmental Management Systems:** the Company applies the requirements of international *standards* on quality and management of environmental aspects.
- **Additional certifications:** Nastrotex is also in possession of the OEKO TEX *standard* 100 certification, which guarantees that textile products comply with human-technological requirements and are not harmful to health and GRS (*Global Recycled Standard*) which not only certifies the use of yarn from recycled materials and manufacturing activities, but also

enhances them in compliance with strict environmental and social criteria, extended to all stages of the production chain with the aim of reducing the consumption of virgin raw materials, water and energy, to substantially increase the quantity and quality of recycled products.

### **2.3 The objectives and purposes pursued with the adoption and consequent updating of the Organisation, Management and Control Model of Nastrotex-Cufra S.p.A.**

With the adoption of the Organisation, Management and Control Model and its subsequent update, the Company intends to:

- make aware all those who work in the name and on behalf of the Company, with particular reference to those who work in the so-called "sensitive areas", that they may incur, in the event of violations of the provisions of the Model, in the commission of offences liable to criminal sanctions against them and "administrative" sanctions imposed on the Company;
- make these subjects aware that the unlawful conduct is strongly condemned by the Company, as they are always and in any case contrary to the provisions of the law, the company culture and the ethical principles assumed as their guidelines in the business activity;
- allow the Company to intervene promptly to prevent or combat the commission of crimes or at least to significantly reduce the damage caused by them;
- improve corporate *governance* and the image of the Company.

The preparation of this Model is inspired by the Guidelines issued by **Confindustria** as well as updated over time.

### **2.4 The "Recipients" of the Organisation, Management and Control Model of Nastrotex-Cufra S.p.A.**

The principles and provisions of this document must be complied with by:

- Members of the Board of Directors and the Board of Statutory Auditors;
- Employees;
- Consultants, collaborators, suppliers, agents, distributors, brokers and any *partners* to the extent that they may be involved in the performance of activities in which the commission of one of the predicate offences referred to in the Decree is conceivable;
- those acting under the direction or supervision of top management in the context of the tasks and functions assigned.



The subjects identified in this way are hereinafter referred to as "Recipients".

## **2.5 The establishment and updating of the Organisation, Management and Control Model of Nastrotex-Cufra S.p.A.**

In order to comply with the regulatory provisions of the Decree, an in-depth analysis was carried out with the aim of drafting the Organisational, Management and Control Model of Nastrotex-Cufra S.p.A.

In particular, the methodological profile underlying the elaboration of the Organisational Model can be summarised as follows:

- *Collection and analysis of company documentation and context;*
- *Identification and analytical examination of sensitive areas and processes;*
- *Identification of existing rules and protocols;*
- *Definition and updating of standards of behaviour and control;*
- *Preparation and updating of the Organisation, Management and Control Model.*

The activities carried out during each phase are briefly described below.

### **2.5.1 The establishment of the Organisation, Management and Control Model of Nastrotex-Cufra S.p.A.**

In the first phase, the most relevant company documents were analysed.

By way of example, these are the following:

- Articles of association;
- organisation chart;
- registration in the chamber of Commerce;
- operating regulations and internal procedures;
- minutes of the corporate bodies;
- significant contracts;
- more.

The aforementioned documentation has been examined in order to constitute an information platform on the corporate structure and operations, on the organisational changes that have occurred, on the reference context, as well as to carry out a preliminary identification of the functions responsible for the individual business processes.

### 2.5.2 **Identification and analytical examination of sensitive areas and processes**

The preparation of the Model cannot be separated from a *risk assessment* activity, which allows, as envisaged by art. 6, paragraph 2, of Legislative Decree 231/2001, to “*identify the activities within which the crimes can be committed*” and to “*provide specific protocols aimed at planning the formation and implementation of the decisions of the body in relation to the crimes to be prevented*”.

In this context, a detailed analysis of the individual activities and sensitive areas and processes was carried out, with a foreshadowing of the methods and tools through which it would be possible to commit the crimes listed in the Decree by the company, its administrative bodies, employees and, in general, by the figures contemplated by art. 5 of the Decree.

The identification of areas and processes at risk was also carried out through meetings and interviews with the managers of sensitive activities and processes or, with company resources equipped with a knowledge of the operation of each process analysed.

The *risk assessment*, therefore, made it possible to identify and assess the risk areas provided for by Legislative Decree 231/2001, including the risks associated with external collaborators and third parties in general, as well as illustrating the contents and operating methods of each organisational unit.

### 2.5.3 **Identification of existing rules and protocols**

For each sensitive process/activity identified, the control tools as well as the existing elements of compliance with respect to the potential risks/offences were detected and preliminarily evaluated.

- existence of internal procedures and rules;
- traceability of operations through adequate documentary/information supports;
- segregation of duties;
- existence of formalised proxies consistent with the organisational responsibilities assigned.

### 2.5.4 **Definition of conduct and control standards**

Subsequently, conduct and control *standards* were defined for each activity.

The conduct and control *standards* have been submitted, for appropriate assessment and approval, to the examination of the subjects responsible for the management of the activities at risk and represent the most suitable ways to govern the previously identified risk profiles.

### 2.5.5 **Preparation of the Organisation, Management and Control Model**

On the basis of the results of the previous phases, the Organisation, Management and Control Model was prepared pursuant to Legislative Decree 231/2001 of Nastrotex articulated in all its components and operating rules, suitable for the prevention of predicate offences and customised to the company's reality.

## **2.6 The map of "sensitive" activities of Nastrotex-Cufra S.p.A.**

In accordance with the provisions of the Decree and in the manner outlined above, the "sensitive" activities of the Company have been identified, taking into account the current operations of Nastrotex and the existing organisational structure.

The main activities and business processes that may constitute an occasion or means of carrying out the types of crime referred to in the Decree are:

- *Management of commercial activities;*
- *Management of administrative requirements and inspection activities;*
- *Production and quality management;*
- *Management of the prevention and protection system;*
- *Management of environmental aspects;*
- *Management of customs, supply chain and logistics requirements;*
- *Purchase of goods and services (including professional services);*
- *Management of litigation and relations with the Judicial Authority;*
- *Selection and management of agents, distributors, brokers and business partners;*
- *Management of marketing and sponsorship activities;*
- *Selection and management of personnel;*
- *Management of expense reports and representation expenses;*
- *Accounting, Budgeting and Taxation Management;*
- *Treasury and cash flows;*
- *Management of shareholders' meetings and capital transactions;*
- *Management of information systems;*
- *Management of relations with certification bodies.*

## 2.7 The structure of the Organisation, Management and Control Model of Nastrotex-Cufra S.p.A.

The Model consists of a General Part and the following Special Parts aimed at monitoring the previously identified risk activities:

- **Special Part A:** Crimes against the Public Administration and its assets, crimes of corruption between private individuals and incitement to corruption between private individuals, crimes of smuggling and the crime of inducing not to make statements or to make false statements to the Judicial Authority;
- **Special Part B:** Computer crimes and unlawful processing of data and crimes relating to copyright infringement;
- **Special Part C:** Corporate crimes and tax offences;
- **Special Part D:** Crimes of receipt, money laundering and use of money, goods or benefits of illicit origin, as well as self-laundering, crimes of organised crime and transnational crimes;
- **Special Part E:** Crimes against industry and commerce and crimes of counterfeiting in coins, in public credit cards, in revenue stamps and in instruments or signs of recognition;
- **Special Part F:** Crimes of manslaughter and serious and very serious personal injury committed in violation of the rules for the protection of health and safety at work;
- **Special Part G:** Environmental crimes;
- **Special Part H:** Offences against the individual and the offence of employment of illegally staying third-country nationals.

The risk profiles inherent in the crimes of, crimes of practices of mutilation of female genital organs, market abuse, crimes with the purpose of terrorism or subversion of the democratic order, fraud in sports competitions, crimes of racism and xenophobia, crimes related to non-cash payment instruments, crimes against cultural heritage and crimes of money laundering of cultural assets, devastation and looting of cultural and landscape assets are considered overall supervised by the provisions of this Organisation, Management and Control Model and by the general safeguards referred to in the Code of Ethics.

### 3 The Supervisory Body of Nastrotex-Cufra S.p.A.

The Company has assigned the task of supervising the operation and compliance of the same to the **Supervisory Body** (also "SB"), equipped with the requirements indicated below and aimed at ensuring an effective and efficient implementation of the Model.

#### 3.1 The requirements of the Supervisory Body of Nastrotex-Cufra S.p.A.

The members of the Supervisory Body must be equipped with the requirements dictated by the Confindustria Guidelines. In particular:

- **AUTONOMY AND INDEPENDENCE:** the Body must remain free from any form of interference and pressure from the top management and not be in any way involved in the exercise of operational activities and management decisions. The Supervisory Body must not be in a situation of conflict of interest and must not be attributed to the Body as a whole, but also to the individual components, operational tasks that may undermine its autonomy. The requirement of autonomy and independence must also be understood as the absence of parental ties and links of hierarchical dependence with the top management of the Company or with subjects holding operational powers within it. The Supervisory Body must return to the highest level of corporate operational management and with this it must be able to dialogue "on equal terms".
- **PROFESSIONALISM:** that is, possession of the tools and techniques necessary for the concrete and effective performance of the assigned activity. The professionalism and authority of the Body are then connected to its professional experiences. In this sense, the Company considers of particular importance the careful examination of the curricula of possible candidates and previous experiences, favouring profiles that have gained a specific professionalism in the matter.
- **CONTINUITY OF ACTION:** the SB continuously carries out the activities necessary for the supervision of the Model with adequate commitment and with the necessary investigative powers, meeting at least quarterly.
- **HONOURABILITY:** in relation to the provision of causes of ineligibility, revocation, suspension or forfeiture of the function of Supervisory Body as specified below.

The requirements described above must be verified at the time of appointment by the Board of Directors.

The Company, in accordance with the regulatory provisions contained in the Decree, has been guided in the choice of a collegial Body composed of three members.

### 3.2 The causes of ineligibility, revocation, suspension and forfeiture

In appointing the members of the Supervisory Body, the Board of Directors of the Company has expressly established the following causes of **ineligibility** for the same members of the SB.

The following cannot therefore be elected:

- those who have been convicted with a sentence even if not final, or with a sentence of application of the penalty on request (so-called "plea bargain") and even if with conditional suspended penalty, without prejudice to the effects of rehabilitation:
  1. to imprisonment for a period of not less than one year for one of the offences provided for by Royal Decree 267/1942;
  2. to a term of imprisonment of not less than one year for one of the offences provided for by the rules governing banking, financial, securities and insurance activities and by the rules on markets and securities, payment instruments;
  3. to imprisonment for a period of not less than one year for a crime against the Public Administration, against the public faith, against heritage, against the public economy, for a crime in tax matters;
  4. for any offence committed with criminal intent, to imprisonment for a period of not less than two years;
  5. for one of the offences provided for in Title XI of Book V of the Italian Civil Code as reformulated by Legislative Decree 61/2002;
  6. for a crime that amounts and has imported the sentence to a penalty resulting in the prohibition, including temporary, from public offices, or the temporary prohibition from the management offices of legal persons and companies;
  7. for one or more of the crimes strictly provided for by the Decree, even if with sentences lower than those indicated in the previous points;
- those against whom one of the prevention measures provided for by art. 10, paragraph 3, of Law 575/1965 has been definitively applied, as replaced by art. 3 of Law 55/1990 and subsequent amendments;
- those against whom the ancillary administrative sanctions provided for by art. 187-quater of Legislative Decree 58/1998.

The members of the Supervisory Body must self-certify with a substitute declaration of notoriety that they are not in any of the aforementioned conditions, expressly undertaking to communicate any changes with respect to the content of such declarations.

Any revocation of the members of the Body must be resolved by the Board of Directors of the Company and may only be disposed of for reasons related to serious breaches of the mandate assumed, including violations of the confidentiality obligations indicated below, as well as for the causes of forfeiture listed below.

The members of the Supervisory Body also **cease** to hold office when, following their appointment:

- are sentenced by final judgement or plea bargain for one of the offences indicated in numbers 1, 2, 3, 4, 5, 6 and 7 of the conditions of ineligibility indicated above;
- where they have breached the confidentiality obligations strictly related to the performance of their duties.

The members of the Supervisory Body are also **suspended** from exercising their functions in the event of:

- conviction with a non-final sentence for one of the crimes indicated in numbers 1 to 7 of the conditions of ineligibility indicated above;
- application at the request of the parties of one of the penalties referred to in numbers 1 to 7 of the conditions of ineligibility indicated above;
- application of a personal precautionary measure;
- provisional application of one of the prevention measures provided for by art. 10, paragraph 3, of Law 575/1965, as replaced by art. 3 of Law 55/1990 and subsequent amendments.

The Supervisory Body holds office for three years, expires on the date of approval of the financial statements for the third year of the financial year and is eligible for re-election. The remuneration of the Body is determined by the Board of Directors at the time of appointment for the entire duration of the office.

### **3.3 The tasks of the Supervisory Body of Nastrotex-Cufra S.p.A.**

For the performance of its duties, the Board of Directors assigns an annual expenditure budget to the Supervisory Body. However, the Supervisory Body may autonomously commit resources that exceed its spending powers, in compliance with company procedures, if the use of the same is necessary to deal with exceptional and urgent situations. In these cases, the Body must inform the Board of Directors without delay.

The Supervisory Body for the performance of the tasks entrusted to it makes use of all company functions.

The Supervisory Body carries out the following activities:

- supervision of the effectiveness of the Model, verifying in particular the consistency between the Model itself and the concrete rules adopted in areas at risk;
- periodically verifies that the Model is complied with by all individual business units/areas at risk, in order to ensure that the rules defined and the safeguards put in place are

followed as faithfully as possible and are concretely suitable to prevent the risks of the commission of the crimes highlighted;

- supervises so that the Code of Ethics and all the provisions contained therein are complied with by all subjects in any capacity operating in the Company;
- reports to the Board of Directors of any updates and adjustments to the Model in accordance with changes in the law and jurisprudence, as well as a result of changes to the corporate organisation;
- supervision of the correct functioning of the control activities for each area at risk, promptly reporting anomalies and malfunctions of the Model, after comparison with the areas/functions concerned;
- assesses and proposes the imposition of any disciplinary sanctions, subject to the necessary coordination with the managers of the competent company departments/areas.

### **3.4 The reporting activity of the Supervisory Body of Nastrotex-Cufra S.p.A.**

In order to guarantee its full autonomy and independence in the performance of its functions, the Supervisory Body reports directly to the Company's Board of Directors and reports on the implementation of the Model and the emergence of any critical issues through two reporting lines:

- I. the first on a **continuous basis**;
- II. the second on **an annual basis**, to the Board of Directors and the Board of Statutory Auditors, through a written report that must promptly indicate the activity carried out during the year, both in terms of checks carried out and the results obtained and in relation to any need to update the Model.

The SB must also prepare an annual activity plan for the following year, which identifies the activities to be carried out and the areas that will be subject to checks, in addition to the timing and priority of the interventions.

The Supervisory Body may, in any case, carry out, in the context of sensitive business activities and if it deems it necessary for the performance of its functions, controls not provided for in the intervention plan (the so-called "surprise checks").

The Body may request to be heard by the Board of Directors or, in general, by the Administrative Body whenever it deems it appropriate to talk with said body; likewise, the SB is recognised the possibility of requesting clarifications and information from the Board of Directors.

On the other hand, the Supervisory Body may be convened at any time by the Board of Directors to report on particular events or situations relating to the operation and compliance with the Model.



The aforementioned meetings must be recorded and a copy of the minutes must be kept by the SB (as well as by the bodies involved from time to time).

### **3.5 Disclosure obligations towards the Supervisory Body of Nastrotex-Cufra S.p.A.**

The SB is the recipient of any information, documentation and/or communication, including from third parties relating to compliance with the Model.

All Recipients of this Model are required to report to the Supervisory Body, which must be carried out following:

- i) warnings;**
- ii) information.**

The Supervisory Body ensures the utmost confidentiality with regard to any news, information or report, under penalty of revocation of the mandate and disciplinary measures defined below, without prejudice to the requirements inherent in the conduct of investigations in the event that the support of consultants outside the SB or other corporate structures is necessary.

All information and reports referred to in this Model are kept by the Supervisory Body in a specific electronic and paper archive, in accordance with the provisions on the protection of personal data.

#### **i) Warnings**

All Recipients are required to promptly report to the Supervisory Body of Nastrotex-Cufra S.p.A. any exception, violation or suspected violation of their knowledge of the rules of conduct referred to in the Code of Ethics of the Company as well as the principles of conduct and the executive methods of carrying out the activities identified "at risk" and regulated in the Model.

Reports, if addressed to the Supervisory Body of Nastrotex-Cufra SpA can be made either by physical mail to the address:

**Nastrotex Cufra Spa - Via S.S. Soncininese 498, 2 - 24050 Covo (Bg)**

That of e-mail to the address

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The Supervisory Body assesses all the reports received and undertakes the consequent initiatives at its reasonable discretion and responsibility within the scope of its competences, possibly listening to the whistleblower and the person responsible for the alleged violation. Any consequent decision must be reasoned; any consequent measures are applied in accordance with the provisions of the chapter on the Disciplinary and Sanctioning System.

The Body acts in such a way as to guarantee the authors of the reports against any form of retaliation, discrimination, penalisation or any consequence deriving from them, assuring them the confidentiality of their identity, without prejudice to the legal obligations and the protection of the rights of Nastrotex or persons wrongly accused or in bad faith.

ii) **Information**

The Supervisory Body establishes in its control activity the documentation that, on a periodic basis, must be submitted to its attention.

The Supervisory Body must be informed of:

- measures and/or news coming from judicial police bodies or from any other authority, from which it can be inferred that investigations are being carried out, also against unknown persons for the types of crime provided for by the Decree, concerning the Company;
- audits, inspections and checks initiated by the competent bodies (regions, regional and local authorities) and, upon their conclusion, any findings and sanctions imposed;
- requests for legal assistance made by the internal subjects of the Company, in the event of the initiation of legal proceedings for one of the crimes provided for by the Decree;
- reports prepared by corporate structures as part of their control activities, from which elements of criticality with respect to the rules of the Decree emerge;
- periodically, news relating to the effective implementation of the Model in all areas/functions at risk;
- periodically, news relating to the effective compliance with the Code of Ethics at all company levels;
- information on the evolution of activities relating to risk areas;
- the system of proxies and powers of attorney implemented by the Company.

In the event of information and/or news, even unofficial, relating to the commission of the crimes provided for by the Decree or in any case concerning possible violations of the Model and the Code of Ethics, each must immediately contact the SB.

The information flows must reach the Body, through the methods and addresses indicated above.

### **3.6 Whistleblowing - protection of employees and/or collaborators who report offences - art. 6, paragraph 2-bis, Legislative Decree 231/2001**

The reports referred to in the point above and, in general, the detailed reports of illegal conduct, relevant pursuant to Legislative Decree 231/2001 and based on precise and agreed factual elements, or violations (even presumed) of the Organisation, Management and Control Model, of which the recipients of this Model have become aware due to the functions performed, take place within the framework of the regulatory provisions provided for in the field of *whistleblowing*, with particular reference to the protection of the whistleblower from any form of retaliation and/or discrimination.

In particular, it is forbidden to carry out acts of retaliation or discrimination, direct or indirect, against the reporting party (or *whistleblower*) for reasons directly or indirectly related to the reporting, in compliance with the regulatory provisions of art. 6, paragraph 2-bis, of Legislative Decree 231/2001.

The adoption of discriminatory measures against whistleblowers may be reported to the National Labour Inspectorate, for the measures under its jurisdiction, as well as by the whistleblower, also by the trade union organisation.

It is clarified, in accordance with the provisions in force, that the retaliatory or discriminatory dismissal of the whistleblower is to be considered null and void, as are any other retaliatory or discriminatory measures taken against them.

The burden of proof rests with the employer, who must demonstrate that, in the event of disputes related to the imposition of disciplinary sanctions, or to demotion, dismissal, transfer, or submission of the whistleblower to another organisational measure having direct or indirect negative effects on working conditions, subsequent to the submission of the report, these measures are based on reasons unrelated to the report itself.

Any violations of the measures to protect the *whistleblower* or unfounded reports made with wilful misconduct or gross negligence will be sanctioned in accordance with the provisions of the following chapter 5 "Disciplinary and Sanctioning System".

## **4 Training and information**

### **4.1 General provisions**

The Company intends to guarantee a correct and complete knowledge of the Model, the content of the Decree and the obligations deriving from it among those who work for the Company.

Training sessions will be organised over time by the Company, by virtue of the criteria of mandatory and reiteration, as well as any diversification.

### **4.2 Initial communication**

This Model is communicated to all company resources.

All Employees and Managers must sign a specific form certifying knowledge and acceptance of the Model, of which they have a hard copy or documents on computer.

New hires are given an information set containing the Model and the Code of Ethics, with which they are assured of the knowledge considered of primary importance.

All subsequent changes and information concerning the Model will be communicated to company resources through official information channels.

### **4.3 Personnel training**

Participation in training activities aimed at disseminating knowledge of the regulations referred to in the Decree, the Organisation, Management and Control Model and the Code of Ethics is to be considered mandatory.

The training will take into account, in the contents and in the methods of delivery of the related courses, the qualification of the Recipients, the level of risk of the area in which they operate and the attribution or non-attribution of representation functions.

The unjustified absence from training sessions is considered a disciplinary offence, in accordance with the provisions of the Disciplinary System clarified below.

Nastrotex will provide for the implementation of training courses that will illustrate, according to a modular approach:

- the regulatory environment;
- the Code of Ethics and the Organisation, Management and Control Model adopted by the Company, including the Special Parties;
- the role of the Supervisory Body and the tasks assigned to it by the Company.

The Supervisory Body ensures that the training programmes are qualitatively adequate and effectively implemented.

The Company will establish a specific section of the company intranet, dedicated to the topic - and updated periodically - in order to allow interested subjects to know in real time any changes, additions or implementations of the Code of Ethics and the Model.

#### **4.4 Disclosure to “Third Party Recipients”**

The Company imposes the knowledge and compliance with the Model and the Code of Ethics between the so-called “Third Party Recipients”, such as consultants, collaborators, agents, suppliers, distributors, business partners and other external parties operating on behalf of the Company.

The disclosure is ensured by disseminating an official communication or with the explicit reference within the contracts regarding the existence of the Model and the Code of Ethics.

Nastrotex shall include in the contracts with the third parties with which it operates specific clauses that provide, in case of non-compliance with the established ethical principles, the resolution of the negotiating obligations.

## 5 Complementary disciplinary system

### 5.1 General Profiles

The provision of a disciplinary system suitable for sanctioning non-compliance with the rules indicated in the Model is a condition required by Legislative Decree 231/2001 for the exemption of the administrative liability of the Bodies and to guarantee the effectiveness of the Model itself.

It is forbidden for the Company, and its representatives, to carry out acts of retaliation or discrimination, directly or indirectly, against the whistleblower for reasons related, directly or indirectly, to the report. In this regard, it is clarified that disciplinary sanctions are envisaged:

- in the event of non-compliance with the measures and principles indicated in the Model;
- against those who violate the whistleblower protection measures;
- of those who make reports with wilful misconduct or gross negligence that turn out to be unfounded.

The adoption of discriminatory measures against those who make such reports may be reported to the National Labour Inspectorate, for the measures under its jurisdiction, as well as by the whistleblower, also by the trade union organisation.

It is clarified, in accordance with the provisions in force, that the retaliatory or discriminatory dismissal of the whistleblower is null and void.

The change of duties, as well as any other retaliatory or discriminatory measures taken against the whistleblower, are also null and void. It is the responsibility of the employer, in the event of disputes related to the imposition of disciplinary sanctions, or to dismemberment, dismissals, transfers, or submission of the reporting party to another organisational measure having direct or indirect negative effects on working conditions, after the submission of the report, to demonstrate that these measures are based on reasons unrelated to the report itself.

The imposition of disciplinary sanctions for violation of the principles and rules of conduct indicated in the Organisational Model is independent of the possible establishment of criminal proceedings and the outcome of the consequent judgement for the commission of one of the unlawful conduct provided for by the Decree.

Following the communication by the SB of the violation of the Model, an assessment procedure is initiated in accordance with the provisions of the employee's national collective bargaining agreement; this assessment procedure is carried out by the corporate bodies responsible for imposing disciplinary sanctions, taking into account the seriousness of the conduct, the possible recurrence of the fault or the degree of fault.

Nastrotex, through the bodies and functions specifically assigned to this purpose, therefore provides for the consistent, impartial and uniform imposition of sanctions proportionate to the respective violations of the Model and in compliance with the current provisions on the regulation

of employment relationships; the sanctioning measures for the various professional figures are indicated below.

## 5.2 Sanctions against employees

The behaviours of employees that constitute:

- the breach of the individual rules of conduct deduced in this Model, in the Code of Ethics, in the rules and company protocols adopted by the Company;
- the breach of the measures put in place to protect *whistleblowers*;
- the submission of unfounded reports with wilful misconduct or gross negligence;

constitute disciplinary offences.

The sanctions applicable to employees shall be adopted in accordance with the procedures laid down in the applicable legislation.

Express reference is made to the categories of punishable acts provided for by the existing sanctioning apparatus and that is the contractual rules referred to in the National Collective Agreement for the textile industry (hereinafter CCNL).

In application of the principle of proportionality, depending on the seriousness of the violation committed, the following disciplinary sanctions are envisaged:

- **Verbally blame or reprimand:** it applies in the case of the slightest non-compliance with the principles and rules of conduct provided for by this Model, correlating said behaviour to a slight non-compliance with the contractual rules or the directives and instructions given by the management or superiors.
- **Censorship or reprimand imposed in writing:** it applies in the event of recurrence of the infractions referred to in the previous point.
- **Fine or suspension from service and remuneration:** it applies in the event of non-compliance with the principles and rules of conduct provided for by this Model, with respect to behaviour that does not comply the provisions of the Model to such an extent as to be considered of a certain severity, even if recurring. Such conduct includes the breach of the information obligations towards the Supervisory Body regarding the commission of crimes, even if attempted, as well as any violation of the Model. The same sanction will be applied in the event of repeated failure to participate (physical or in any way requested by the Company), without justified reason to the training sessions that will be provided by the Company over time relating to the Decree, the Organisation, Management and Control Model and the Business Conduct Standard adopted by the Company or in relation to issues relating to them. The fine may not exceed the amount of two hours' pay. Suspension of service and remuneration may not be ordered for more than three days and must be applied for the most serious failures.
- **Dismissal for disciplinary reasons:** it applies in the event of the adoption of a conscious behaviour in contrast with the provisions of this Model that, even if it is only likely to

constitute one of the crimes sanctioned by the Decree, damages the fiduciary element that characterises the employment relationship or is so serious that it does not allow its continuation, even provisional. Violations of the aforementioned sanction include the following intentional conduct:

- drafting incomplete or untruthful documentation (for example, documents addressed to the Public Administration, accounting documents, etc.);
- omitted preparation of the documentation required by the Model;
- breach of the measures to protect the confidentiality of the whistleblower provided for by the Model and Law no. 179/2017, in the event of reports made in good faith;
- wilful or grossly negligent reporting of unlawful conduct that proves to be unfounded;
- the adoption of discriminatory measures against persons who report unlawful conduct.
- violation or circumvention of the control system provided for by the Model in any way, including the removal, destruction or alteration of the documentation inherent to the procedure, the obstacle to controls, the impediment of access to information and documentation by the persons in charge of controls or decisions.

### **5.3 Sanctions against members of the Board of Directors and the Board of Statutory Auditors**

With respect to Directors who have:

- committed a violation of this Model;
- breached the measures put in place to protect the *whistleblower*;
- submitted, with intent or gross negligence, unfounded reports;

the Board of Directors, promptly informed together with the Board of Statutory Auditors by the SB, may apply any suitable measure permitted by law, including the following sanctions, determined according to the seriousness of the fact and fault, as well as the consequences deriving from it:

- formal written reminder;
- pecuniary sanction, taking into account the seriousness of the event, equal to an amount not less than Euro 10,000.00;
- revocation, in whole or in part, of any powers of attorney.



The Board of Directors, in the case of violations such as to integrate just cause for revocation, proposes to the Shareholders' Meeting the implementation of the measures of competence and provides for the additional duties provided for by law.

In case of violation by a member of the Board of Statutory Auditors, the SB must immediately notify the Chairman of the Board of Directors, by written report. The Chairman of the Board of Directors, in the case of violations such as to integrate just cause for revocation, convenes the Shareholders' Meeting by forwarding the report of the Supervisory Body to the shareholders in advance. The adoption of the measure resulting from the aforementioned violation is in any case the responsibility of the Shareholders' Meeting.

#### **5.4 The sanctions against "Third Party Recipients"**

Any violation of the provisions of the Model by consultants, collaborators, suppliers, distributors, agents, brokers and business *partners* from those who are contemplated from time to time among the "Recipients" of the same, is sanctioned by the competent bodies on the basis of the internal corporate rules, according to the provisions of the contractual clauses included in the relevant contracts, and in any case with the application of conventional penalties, which may also include the automatic termination of the agreement (pursuant to art. 1456 of the Italian Civil Code), without prejudice to compensation for damages.