

Modula S.p.A.

Organizational, Management and Control Model *(adopted pursuant to Legislative Decree 231/2001)*

General Part

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Introduction

1. Premise

This document describes the organizational, management and control model adopted by Modula S.p.A. (hereinafter also “Modula” or the “Company”) pursuant to Legislative Decree no. 231 of 8 June 2001 (hereinafter, the “Decree”) and has the purpose of:

- complying with the regulations on the administrative liability of entities, analyzing the potential risks of unlawful conduct relevant to the Decree, and highlighting and integrating the related control systems designed to prevent such conduct;
- increasingly promoting a corporate culture oriented towards ethics, fairness and transparency of its activities;
- increasing awareness in all those working on behalf of the Company in sensitive activities, of the possibility of facing disciplinary actions and/or contractual consequences, as well as criminal and administrative sanctions against them in the case of the violation of the provisions in force;
- reinforcing the notion that these forms of unlawful conduct are strongly disapproved of, as they are contrary not only to the provisions of law, but also to the ethical principles the Company is committed to abiding by in its business activities;
- enabling the Company, thanks to the monitoring of its activities at risk, to intervene promptly to prevent or obstruct the commission of crimes and sanction any conduct contrary to the law and company rules.

Therefore, the Organizational, Management and Control Model (hereinafter also the “Organizational Model” or “Model”, represents a coherent set of principles, procedures and provisions that affect the internal operation of the Company, and the ways in which it relates with the outside world. It also regulates the management of the control system related to sensitive activities, aimed at preventing the commission of or any attempt to commit the crimes referred to in the Decree.

This document was adopted by the Company with a resolution of the Board of Directors on 3 May 2016 and updated with a resolution of 13 October 2020.

2. Structure of the document

The structure of the Model consists of:

- *Code of Ethics*, which defines the general ethical values and principles to which the corporate bodies and their members as well as employees, collaborators and consultants of the Company must inspire when carrying out their activities, in order to prevent the occurrence of conduct which is illegal or not aligned with the company’s standards.
- *General Part*, which describes the contents of the Decree, briefly illustrates the corporate governance and organizational and management models of the Company, the function and the general operating principles of the Model, as well as the mechanisms for its concrete implementation.
- *Special Parts*, which describe, for each area of activity the potential “231

risks” (referring to Italian Law no. 231/2001 on the organization and management model), the types of relevant crimes, the behavioral principles to be observed, as well as the control measures to be put in place to prevent them.

The Model also includes the following annexes, which are an integral part of it:

- *Annex 1* - Crimes and administrative offenses pursuant to Italian Legislative Decree no. 231/2001
- *Annex 2* - By-laws of the Supervisory Body
- *Annex 3* - Disciplinary and sanctioning system
- *Annex 4* - Management of information flows to the Supervisory Body

3. Code of Ethics

Modula’s Code of Ethics has as its main objective the clear definition of the fundamental ethical values and contains the general principles that must guide the conduct of all corporate bodies and their members, as well as all employees and collaborators of the Company (to be understood as consultants, agents, managers, partners, and collaborators in general) in order to promote, through internally defined standards and corporate governance techniques, the creation and maximization of value for those who work in the Company and for its customers.

The Code of Ethics is an essential part of the Model and was adopted, simultaneously, with a resolution of the Administrative Body on 17 September 2014 and updated on 13 October 2020.

The Code of Ethics is binding for all those who have employment or collaborative relationships with the Company. It establishes, as an essential principle of the Company’s work, compliance with the laws and regulations in force and establishes the principles of conduct with which all recipients must comply in the daily performance of their work activities and their duties.

Following its adoption, the Code of Ethics is provided to or made available to all members of the corporate bodies, as well as to all employees and collaborators of the Company.

The importance that the Code of Ethics has for the Company and its binding effectiveness are proven by the sanction system provided for in the event of the violation of the Code itself.

4. Recipients

The rules and provisions contained in the Model and its Annexes apply and must be observed by those who perform, even *de facto*, management, administration, direction or control activities on behalf of the Company, by employees, as well as by those who, although not a formal part of the Company’s organization, operate on its behalf.

The “Recipients” of this Model are therefore:

- the corporate bodies (including the members of the Board of Directors and the members of the Board of Statutory Auditors) as well as the holders of management and/or control positions within the Company or within one of its organizational units ("senior management");
- the subjects who exercise these functions (administration, management and/or control) even if only *de facto*;
- all personnel of the Company, by virtue of any type of contractual relationship;
- anyone acting in the name and on behalf of the Company under its direction and supervision.

The Company requires external collaborators, consultants, intermediaries, suppliers, business partners and other contracted third parties in general to comply with the requirements laid down by the Decree and the ethical principles adopted by signing specific contractual clauses.

General Part

1. Premise

1.1 Regulatory framework of reference

Italian Legislative Decree no. 231/2001, issued as a result of the powers granted to the Government with Art. 11 of the Italian Law no. 300 of 29 September 2000, governs the “liability of entities for administrative offenses resulting from a crime”.

This regulation applies to entities with legal personality, as well as to companies and associations even without legal personality.

Italian Legislative Decree no. 231/2001 originated from some international and EU conventions ratified by Italy which require a framework for the identification of the liability of collective bodies for certain types of crime.

According to the regulation introduced by Italian Legislative Decree no. 231/2001, an entity can be held “liable” for some crimes committed or attempted, in the interest or to the advantage of the company, by:

- senior management, that is, those who hold representative, administrative or management positions within the company or one of its organizational units with financial and functional autonomy, as well as those who exercise, even *de facto*, the management and control of the same;
- subjects under the management or supervision of senior management.

With regard to the notion of “interest”, it is understood to be whenever the unlawful conduct is carried out with the sole intention of achieving a benefit for the company, regardless of whether this objective has been achieved or not.

Likewise, liability rests with the company whenever the perpetrator of the offense, despite not having acted to benefit the entity, nonetheless obtains an “advantage” for the legal person whether of an economic nature or not.

The administrative liability of companies is independent of the criminal liability of the natural person who committed the crime.

1.2 Crimes envisaged by the Decree

The Decree only concerns some particular types of criminal offenses, explicitly referred to by the Decree itself.

These types of offenses can be organized, for the sake of convenience, in the following categories:

- crimes committed in relations with the public administration (Art. 24 and 25 of the Decree);
- computer crimes and unlawful data processing (Art. 24-*bis*);
- organized crime (Art. 24-*ter*);
- forgery of money, legal tenders, revenue stamps, and distinctive marks (Art. 25-*bis*);
- offences against industry and commerce (Art. 25- *bis*.1);
- corporate offences (Art.25-*ter*);

- crimes for the purpose of terrorism or subversion of democratic order, (Art. 25-*quater*);
- female genital mutilation practices (Art. 25-*quater*.1);
- crimes against the individual (Art. 25-*quinquies*);
- market abuse (Art. 25-*sexies*);
- manslaughter or serious or very serious injuries committed in violation of the regulations on the protection of health and safety at work (Art. 25-*septies*);
- receiving, laundering and use of money, goods or benefits of illicit origin, as well as self-laundering (Art. 25-*octies*);
- offences relating to copyright violations (Art. 25-*novies*);
- induction to make no statements or make false statements to the judicial authorities (Art. 25-*decies*);
- environmental crimes (Art. 25-*undecies*);
- employment of third-country nationals whose stay is illegal (Art. 25-*duodecies*);
- racism and xenophobia (Art. 25-*terdecies*);
- fraud in sports competitions, implementation of unlawful gambling activities and gambling by means of prohibited devices (Art. 25-*quaterdecies*);
- transnational crimes (Art. 10 of Italian Law no. 146 of 16 March 2006);
- tax offenses (Art. 25-*quinquiesdecies*).

Please refer to Annex 1 for further details of the relevant crimes pursuant to the Decree.

1.3 Sanction system

If the Company is deemed liable pursuant to the Decree, as a result of the commission or attempted commission of the aforementioned crimes, the following sanctions are imposed on the Company:

- pecuniary sanctions, calculated through a system based on quotas, which are determined by the Court with regard to the number and amount within limits defined by law and taking into account the gravity of the crime, the degree of liability and the economic and financial conditions of the entity, as well as the activities carried out to eliminate or mitigate the consequences of the crime in question and to prevent the commission of further crimes.
- injunctive sanctions which, in turn, may consist of:
 - ban on conducting business;
 - suspension or revocation of authorizations, licenses or concessions functional to the commission of the offence;
 - ban on entering into contractual relationships with the Public

Administration;

- exclusion from benefits or incentives, funding, contributions or subsidies, as well as the revocation of those already granted;
- ban on advertising goods or services;

Injunctive sanctions can also be requested by the Public Prosecutor and applied to the entity by the Court as a precautionary measure, when:

- there are serious indications to believe that the entity is liable for an administrative offense resulting from a crime;
- well-founded and specific elements emerge that lead to the belief that there is a concrete risk that illicit conduct of the same nature may reoccur;
- the entity under investigation made a significant profit.

The application of injunctive sanctions is excluded when the entity put the remedial measures provided for by Art. 17 of Italian Legislative Decree no. 231/2001 in place and, more precisely, when the following conditions concur:

- “The entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the crime or has in any case taken effective action in this sense”;
 - “The entity has eliminated the organizational shortcomings that led to the crime by adopting and implementing organizational models suitable for preventing crimes of the type that occurred”;
 - “The entity has made the profit obtained available for the purposes of confiscation”.
- confiscation of the revenue or profit from the crime;
 - publication of the sentence in one or more newspapers.

1.4 Exempting condition: organizational, management and control models

A characteristic aspect of Italian Legislative Decree no. 231/2001 is the “exemption” value given to the organization, management and control models adopted by the entities.

In fact, the entity is not liable for crimes committed in its interest or to its advantage by one of the senior managers if it is proved that:

- the management body has adopted and effectively implemented an organizational, management and control model suitable for preventing the crimes covered by the Decree;
- the supervision of the implementation and compliance with the model and its updating was entrusted to a “Body” granted autonomous powers of initiative and control;
- the relevant crime pursuant to the Decree was committed by fraudulently circumventing the Organizational Model;

- the offense was committed without the omission of or insufficient supervision by the Body.

In contrast, in the case of a crime committed by subjects under the management or supervision of others, the entity is liable if the commission of the crime was made possible by the violation of the management or supervision obligations with which the entity must comply.

The administrative liability of the company is in any case expressly excluded by law (Art. 5, paragraph 2, Italian Legislative Decree no. 231/2001), if the senior management and/or their subordinates acted exclusively in their own interest or that of third parties.

1.5 Codes of conduct prepared by relevant trade associations

Organizational and management models, in compliance with the provisions of Art. 6, paragraph 3 of Italian Legislative Decree no. 231/2001, “may be adopted, ensuring compliance with the requirements of paragraph 2, on the basis of codes of conduct drawn up by the representative associations of the entities, communicated to the Ministry of Justice which, in agreement with the competent Ministries, can formulate, within thirty days, observations on the suitability of the models to prevent crimes”.

This Model was prepared taking into account the indications expressed by the guidelines set out by Confindustria and approved by the Ministry of Justice.

2. The Organizational, Management and Control Model adopted by Modula

2.1 Modula’s corporate object and governance system

Modula S.p.A. is a company operating in the manufacturing sector.

In line with the Company’s Articles of Association, the corporate object includes:

- the design, production, installation and maintenance of automatic vertical storage systems for the storage and handling of goods;
- the development, installation and marketing of basic and application software solutions for the operation of the aforementioned storage systems.

The most relevant body of the corporate structure is the Board of Directors, which holds all the necessary powers for the ordinary and extraordinary management of the Company, without exception of any kind.

The corporate structure is also characterized by the presence of a Board of Statutory Auditors, made up of three standing auditors and two alternate auditors. The Board of Statutory Auditors oversees compliance with the law and with the Articles of Association, the respect of the principles of proper administration and the adequacy of the organizational, administrative and accounting structure adopted by the company as well as its proper functioning.

Finally, the auditing of the accounts is entrusted to an external auditing firm.

2.2 The development of Modula’s Organizational, Management and Control Model

The Model was developed through the steps described below.

- Identification of the activities and processes within which the conditions, opportunities and/or means for committing the crimes under the Decree (“sensitive activities”) could potentially exist, as well as the company Departments/Functions involved in carrying out such activities.
- Analysis of sensitive activities and processes and identification of organizational and control mechanisms already implemented or to be adapted. The control system was examined taking into consideration the following standard prevention measures:
 - existence of formalized procedures;
 - *ex post* traceability and verifiability of transactions through adequate documentary/information supports;
 - existence of a formalized system of powers and authorization levels consistent with the assigned organizational responsibilities;
 - compliance with the principle of separation of duties;
 - existence of adequate specific control and monitoring mechanisms.
- At the end of the activities described above, development of the Company’s Organizational, Management and Control Model pursuant to Italian Legislative Decree no. 231/2001, organized according to the indications contained in the Guidelines issued by Confindustria.
- The Model thus structured is finally implemented by means of: a) its approval by the Administrative Body; b) the appointment of the Supervisory Body in charge of verifying the effective implementation and observance of the Model; c) the definition of a disciplinary system against any violations of the Model; d) the dissemination of the contents of the Model through training and information activities for the Recipients.

2.3 Mapping of sensitive activities

“Sensitive activities” identified during the Organizational Model preparation process are the following:

Sensitive activities	Special Section
1. Management of relations with the PA (Public Administration) during inspections at the company’s premises 2. Management of relations with the PA during the management and fulfilment of obligations 3. Management of relations with the PA for the purpose of obtaining authorizations/licenses 4. Litigation management (civil, criminal, administrative, labor and tax law)	<i>A - Management of relations with the Public Administration</i>

<ol style="list-style-type: none"> 1. Management of general accounting and preparation of the financial statements 2. Management of relations with External Auditors and Statutory Auditors 3. Management of monetary and financial flows 4. Management of tax compliance 5. Management of extraordinary corporate operations 6. Management of inter-group relations 7. Management of corporate affairs 	<i>B - Administration and finance</i>
<ol style="list-style-type: none"> 1. Management of human resources search, selection and hiring activities 2. Definition of training needs and personnel training 3. Management of bonuses, salary increases and career advancements 4. Administrative management of personnel 5. Management of expense reimbursement 6. Management of relations with trade union representatives 	<i>C - Management of personnel</i>
<ol style="list-style-type: none"> 1. Management of the procurement of goods, services, and professional consultancy 2. Management of insurance policies 	<i>D - Management of the procurement of goods, services, and professional consultancy</i>
<ol style="list-style-type: none"> 1. Management of sales activities (commercial negotiation, contracting and after sales) 2. Management of agents 3. Order management (design, production, testing and delivery) 4. Management of relations with certification bodies 5. Management of marketing and communication activities 6. Management of gifts, sponsorships and donations 	<i>E - Business activities</i>
<ol style="list-style-type: none"> 1. Management of information systems 	<i>F - Management of information systems</i>
<ol style="list-style-type: none"> 1. Management of activities relating to the fulfillment of obligations regarding health and safety in the workplace 2. Management of activities relating to compliance with environmental obligations 	<i>G - Management of Health, Safety and Environment</i>

3. The Supervisory Board

3.1 The Supervisory Board

The essential condition for the exemption from liability provided for by Italian Legislative Decree no. 231/2001 is the appointment of a corporate body with autonomous powers of initiative and control to monitor the operation of and compliance with the Model as well as to update it.

The main requirements of the aforementioned corporate body, hereinafter, Supervisory Body (SB), as per the Guidelines issued by Confindustria and also adopted by the judicial bodies in their court rulings, can be identified as follows:

- autonomy and independence;
- professionalism;
- continuity of action.

The autonomy and independence of the Supervisory Body refers specifically to the autonomy of the control initiative with respect to any form of interference or conditioning by any representative of the legal person and, in particular, of the Administrative Body.

The requirement of professionalism refers specifically to the technical capacity of the SB to perform its functions with respect to the supervision of the Model, as well as the skills necessary to guarantee the evolution of the Model itself, through proposals for updating which must be presented to the senior management.

Finally, with reference to continuity of action, the SB must continuously monitor compliance with the Model, verify its effectiveness and efficacy, promote its continuous updating, and be a constant presence for each person working for the company.

Italian Legislative Decree no. 231/2001 does not provide specific information regarding the composition of the Supervisory Body. In the absence of such information, the Company has opted for a solution which, taking into account the objectives pursued by the law and the guidelines obtainable from case law, is able to ensure, in relation to its size and organizational complexity, the effectiveness of the controls the Supervisory Body is in charge of.

The Company has opted for a Supervisory Body made up of a unified bench with two external members and one internal member.

The Supervisory Body must meet the aforementioned requirements of autonomy, independence, professionalism and continuity of action.

3.2 General principles regarding the establishment, appointment and replacement of the Supervisory Body

The Company's Supervisory Body is established by resolution of the Administrative Body. The SB remains in office for a period of 3 years and its composition can be confirmed for a new period at the end of the mandate.

The Supervisory Body ceases upon expiry of the period established in the appointment, while continuing to perform its functions *ad interim* until the new appointment of the Supervisory Body, which must be carried out by resolution of the Administrative Body at the earliest opportunity.

If, during the period in office, the Supervisory Body terminates its mandate, the Administrative Body will replace it with its own resolution.

The remuneration of the Supervisory Body is established by the Administrative Body.

An appointment to the Supervisory Body is subject to meeting subjective eligibility

requirements. In particular, during their appointment, all members of the Supervisory Body must certify the absence of any reasons for ineligibility such as, by way of example:

- conflicts of interest with the Company, even if only potential, such as to compromise the independence required by the role and duties of the Supervisory Body. Examples of conflicts of interest can be, by way of example:
 - entertain significant business relationships with Modula or with subsidiaries or affiliates, except for a subordinate employment relationship;
 - entertain significant business relationships with the Managing Director or other member(s) of the senior management;
 - having relations with or being a nuclear family member of the Managing Director or other member of the senior management, family member being understood as a not legally separated spouse, or a relative or an in-law up to the third degree;
 - be the direct (or indirect) owner of equity investments in the Company's capital to such an extent as to have significant influence over the Company;
 - administrative functions, in the three financial years preceding the appointment as a member of the Supervisory Body, or the establishment of a consultancy/collaboration relationship with the Supervisory Body itself, of companies subject to bankruptcy, compulsory administrative liquidation or other insolvency proceedings;
- being temporarily prohibited or suspended from holding a public office, or the management of legal persons and companies;
- existence of one of the conditions of ineligibility or forfeiture provided for by Art. 2382 of the Italian Civil Code;
- preventive measures pursuant to Italian Law no. 1423 of 27 December 1956, or Italian Law no. 575 of 31 May 1965, *et seq.*, without prejudice to the effects of rehabilitation;
- sentence of conviction, in Italy or abroad, even if with a sentence not yet *res judicata* and even if with a conditionally suspended sentence, or with judgment imposing the penalty/sanction requested by the parties pursuant to Art. 444 of the Italian Criminal Procedure Code (so-called "plea bargaining"), without prejudice to the effects of rehabilitation, for the crimes referred to by Italian Legislative Decree no. 231/2001 or crimes in any case affecting professional conduct;
- conviction, even with a sentence not yet *res judicata* and even if with a conditionally suspended sentence, judgment imposing the penalty/sanction requested by the parties pursuant to Art. 444 of the Italian Criminal Procedure Code (so-called "plea bargaining"), without prejudice to the effects of rehabilitation:
 - a prison sentence for a period of not less than one year for one of the

crimes provided for by the Italian Royal Decree no. 267 of 16 March 1942;

- a prison sentence for a period not less than one year for one of the crimes provided for by the regulations governing banking, financial, securities, and insurance activities as well as the regulations on markets, securities, and payment instruments;
- a prison sentence for a period of not less than one year for a crime against the Public Administration, against public faith, against property, against the public economy, for a crime in tax matters;
- for any crime committed with criminal intent with a prison sentence for a period not less than one year;
- for one of the crimes provided for in Title XI of Book V of the Italian Civil Code as amended by Italian Legislative Decree no. 61/2002.

Should any of the aforementioned reasons for ineligibility be true for an appointed person, the latter will automatically be discharged from office.

In the event that an employee of the Company is appointed as the Supervisory Body, the termination of the relative employment relationship will also result in the loss of that office.

In the conduct of its duties and under its own supervision and responsibility, the Supervisory Body has the power to request and benefit from the collaboration of all Company Departments/Functions and structures, or of external consultants, with reference to their respective professional skills. These powers enable the Supervisory Body to ensure a high level of professionalism and the necessary continuity of action.

To this end, the Administrative Body establishes an adequate budget for the Supervisory Body, taking into account the requests of the latter.

The allocation of the budget enables the Supervisory Body to operate autonomously and with the appropriate tools for the effective performance of the tasks assigned to it by this Model, in accordance with the provisions of Italian Legislative Decree no. 231/2001. If necessary, the Supervisory Body may request the Board of Directors to allocate an even greater budget, providing adequate subsequent reporting.

In order to guarantee the Supervisory Body the necessary stability, the revocation of its powers and the attribution of these powers to another subject may only take place for just cause, which may include the organizational restructuring of the Company, by means of a specific resolution of the Administrative Body.

In this regard, the “just cause” for the revocation of powers related to the position of member of the Supervisory Body may be, by way of example only:

- a definitive conviction of the Company pursuant to the Decree or a final plea bargaining sentence, in the event that the documents show “no or insufficient supervision” by the Supervisory Body, in accordance with the provisions of Art. 6, paragraph 1, letter d) of the Decree;
- a conviction or plea bargaining issued against the Supervisory Body for having committed one of the crimes or administrative crimes envisaged by the Decree (or administrative crimes of the same nature);

- the violation of confidentiality obligations;
- gross negligence in the performance of its duties such as, for example, the failure to prepare the annual report for the Board of Directors on the activities carried out;
- the assignment of operational functions and responsibilities within the company organization that are incompatible with the requirements of “autonomy and independence” and “continuity of action” of the Supervisory Body.

In particularly serious cases, the Administrative Body may in any case, after hearing the opinion of the Board of Statutory Auditors, arrange for the suspension of the powers of the Supervisory Body and the appointment of an *ad interim* SB.

3.3 Functions and powers of the Supervisory Body

The Supervisory Body is granted the powers of initiative and control necessary to ensure effective and efficient supervision of the functioning of and compliance with the Model in accordance with the provisions of Art. 6 of Italian Legislative Decree no. 231/2001.

In particular, the SB must monitor:

- the adequacy and effectiveness of the Model to prevent the commission of the crimes under Italian Legislative Decree no. 231/2001, also taking into account the size and the organizational and operational complexity of the Company;
- the requirements of the adequacy and effectiveness of the Model over time;
- the proper implementation of and compliance with the provisions of the Model by the Recipients, identifying any violations and proposing the relative corrective and/or disciplinary measures to the competent corporate bodies;
- the need to update the Model in the event of changes in the corporate or regulatory conditions, proposing the changes deemed necessary to the competent corporate bodies and verifying their implementation.

In order to fulfill its functions, the Supervisory Body is entrusted with the following tasks and powers:

- access to all the structures of the Company and all relevant company documentation for the purpose of verifying their adequacy and compliance with the Model;
- carry out sample inspections aimed at specific activities/operations at risk and regarding compliance with the control and behavioral measures adopted and referred to in the Model and company procedures;
- promote the updating of risk mapping in the event of significant organizational changes or the expansion of the type of crimes taken into consideration by Italian Legislative Decree no. 231/2001;
- coordinate, with the relevant corporate functions, the assessment of the adequacy of the internal regulatory system adopted and define proposals

for adaptation and improvement (internal rules, procedures, operating and control procedures), subsequently verifying their implementation;

- monitor information and training initiatives aimed at disseminating knowledge and understanding of the Model within the company;
- request the information deemed relevant from Company Managers, in particular those who operate in areas potentially at risk of crimes, in order to verify the adequacy and effectiveness of the Model;
- collect any reports from any Recipient of the Model regarding: i) any criticality of the measures envisaged by the Model; ii) violations of the same; iii) any situation that could expose the Company to the risk of crime;
- periodically report any violations of the control measures referred to in the Model and/or in the company procedures as well as shortcomings identified during the inspections carried out to the Senior Managers concerned, so that they can implement the necessary adjustments, involving the Board of Directors where necessary;
- supervise the consistent application of the sanctions envisaged by internal regulations in cases of violation of the Model, without prejudice to the Administrative Body's competence to apply sanctions;
- identify any behavioral deviations that may emerge from the analysis of the information flows and from the reports the Recipients of the Model are required to submit.

The Supervisory Body is bound by confidentiality with respect to all information it becomes aware of in the performance of its duties.

The disclosure of such information may be made only to those individuals and in the manner provided for in this Model.

3.4 Protocols to provide information to the Supervisory Body

REPORTING TO THE SB

In accordance with Art. 6 of Italian Legislative Decree no. 231/2001, the Model must provide for:

- "the obligation to provide information to the body responsible for supervising the functioning and observance of the models" (paragraph 2, letter d);
- "one or more channels which enable (...) the submission of detailed reports of illegal conduct by those aware of it as a result of the performance of their duties, in order to protect the integrity of the entity, pursuant to the (...) Decree and based on precise and consistent facts, or violations of the organizational and management model of the entity in question. The aforementioned channels guarantee the confidentiality of the identity of the reporting party" (paragraph 2-*bis*, letter a).
- "at least one alternative reporting channel by electronic means, suitable to guarantee confidentiality of the identity of the reporting party" (paragraph 2-*bis*, letter b).

The Supervisory Body must, therefore, first be informed by all recipients of the Model of any relevant circumstance related to the compliance with and functioning of the Model itself.

Second, the reports of illegal conduct or violations of the Model by Recipients must be submitted to the SB, ensuring that all allegations are substantiated and based on precise and consistent facts.

In particular, every Recipient of the Model is required to promptly notify the Supervisory Body, even anonymously, of:

- any violation or well-founded suspicion of violation of the rules of conduct, prohibitions and control principles set out in the Model, as well as the commission of significant illegal conduct pursuant to Italian Legislative Decree no. 231/2001;
- any violation or well-founded suspicion of violation of the rules of conduct referred to in the Code of Ethics;
- in any case, any misconduct, fact, event or omission detected or observed in the exercise of the responsibilities and tasks assigned, with a critical profile with respect to the provisions of the Decree;
- observations regarding the adequacy of the control system.

The Company must have two alternative channels available to the Recipients of this Model to enable the flow of possible reports.

Firstly, reports may be submitted to the following e-mail address which is the corporate e-mail address of the Supervisory Board:

odv@modula.com

Secondly, reports may be submitted by means of a sealed envelope at the company headquarters or sent by post to the attention of:

Ufficio dell'Organismo di Vigilanza [*Office of the Supervisory Body*]

c/o Modula Spa,

Via San Lorenzo n. 41 – 42013 Casalgrande (RE) Italy

The SB ensures compliance (and monitors compliance by the Company) with the provisions of Italian Law no. 179/2017 on the protection of employees or collaborators who report illegal activities in the private sector.

The SB evaluates the reports received and the activities to be implemented; any consequent measures are defined and applied in compliance with the provisions of the corporate disciplinary system (in this regard, please refer to paragraph 4 below).

It is the responsibility of the SB to guarantee those individuals reporting alleged violations protection against any form of retaliation, discrimination, or penalization, also ensuring the confidentiality of their identity, without prejudice to the protection of the legitimate rights of those individuals accused either erroneously and/or in bad faith as well as those of the Company and third parties.

The Supervisory Body stores the reports received in a specific computerized and paper archive: the members of the SB have exclusive access to this archive solely for reasons

related to the performance of the tasks described above.

The Company expressly prohibits any form of retaliation or discrimination, direct or indirect, against the parties reporting alleged violations for reasons connected, directly or indirectly, to the reports.

In addition, the violation by a Recipient of the measures intended to protect a reporting party established by the Company and the reporting of violations with willful misconduct or gross negligence that are proven to be unfounded may be sanctioned in line with the provisions of the corporate disciplinary system (in this regard, please refer to paragraph 4 below).

Violation of the foregoing constitutes a violation of the Model.

GENERAL AND SPECIFIC INFORMATION FLOWS

The disclosure obligations towards the SB extend to the following information flows:

- general information flows;
- specific information flows for a relevant process under the Decree.

In particular, in addition to the reporting obligations referred to in paragraph 3.4.1, the Department/Function Managers, in the sphere of their duties, are required to promptly communicate in a non-anonymous form to the Supervisory Body, whenever a relevant event occurs such as:

- measures and/or information from criminal investigation authorities, from any other authority, which indicate the existence of an ongoing investigation or criminal proceedings, even against unknown individuals, relating to facts of interest and/or that may involve the Company (whether relating to Italian Legislative Decree no. 231/2001 or not);
- measures and/or information concerning the existence of significant administrative or civil proceedings relating to requests or initiatives by Public Authorities;
- any instrument or summons to testify involving Company employees or collaborators;
- requests for legal assistance submitted by employees in the event of criminal or civil proceedings against them (not only in relation to the crimes referred to in Italian Legislative Decree no. 231/2001);
- visits, inspections and investigations initiated by competent public bodies and, upon their conclusion, any findings and penalties applied;
- information relating to any disciplinary procedure carried out and any sanctions applied or the closure of the case with the related reasons;
- communications relating to organizational and corporate changes that have occurred in their area of activity;
- anomalies or criticalities identified in the performance of sensitive activities as regards the application of Italian Legislative Decree no. 231/2001.

Each Department/Function Manager, as the person in charge of the proper implementation of the company rules intended to monitor the risks identified in the

areas of his/her competence, is also required to provide the Supervisory Board, promptly or on a periodic basis, the data and information formally requested by the latter through a specific procedure or communication (so-called “specific information”).

General information and specific information must be sent to the SB in writing using the specific e-mail address.

Any information or report provided is kept by the Supervisory Body in a special confidential file (in electronic or paper support): the members of the SB have exclusive access to this archive solely for reasons related to the performance of the tasks described above

3.5 Reporting of the Supervisory Body to the corporate bodies

In order to guarantee full autonomy and independence in the performance of its functions, the Supervisory Body reports directly to the Company’s Board of Directors.

In particular, the SB provides the Board of Directors (and for reference, the Board of Statutory Auditors) with:

- an information report relating to the activities carried out on a periodic basis, at least annually;
- information on the Supervisory Plan on a periodic basis, at least annually;
- a communication for the necessary formalities upon the occurrence of ascertained violations of the Model, with the presumed commission of crimes.

In any case, the Supervisory Body has the right to request a meeting with the Board of Directors or the Board of Statutory Auditors when necessary. Similarly, the Board of Directors and the Board of Statutory Auditors have the right to request a meeting with the Supervisory Body when appropriate.

The following aspects must be addressed in the annual reporting:

- checks and inspections carried out by the Supervisory Body and their outcome;
- any critical issues which emerged;
- the progress of any measures to correct and improve the Model;
- any legislative innovations or organizational changes that require updates in the identification of risks or changes to the Model;
- any disciplinary sanction applied by the competent bodies following violations of the Model;
- any reports received from internal and external subjects during the period regarding alleged violations of the Model or the Code of Ethics;
- other information deemed significant.

The meetings with the corporate bodies to which the Supervisory Body reports must be documented. The Supervisory Body is responsible for the filing of the related documentation.

4. Disciplinary and sanctioning system

4.1 Function of the disciplinary system

The definition of an adequate disciplinary system with sanctions proportionate to the seriousness of the violation of the rules referred to in this Model by the Recipients is an essential prerequisite for the effectiveness of the Model itself.

The sanctions envisaged will be applied to any violation of the provisions contained in the Model regardless of the conduct and outcome of any criminal proceedings initiated by the Judicial Authority, in the event that the conduct constitutes a crime pursuant to Italian Legislative Decree no. 231/2001.

In any case, the sanction is independent of the commission of the crime and is understood as the Company's reaction to the failure to comply with the procedures or rules of conduct referred to in the Model.

Disciplinary sanctions will therefore also be applied to all those who fail to comply with the provisions of paragraph 3.4 above regarding reporting to the Supervisory Body; in particular, any Recipient who:

- violates the measures to protect a reporting party defined by the Company;
- brings about any form of retaliation or discrimination, direct or indirect, against parties reporting alleged violations;
- makes reports, with willful misconduct or gross negligence, which prove to be unfounded.

4.2 Measures against non-managerial employees

Violations of the provisions and rules of conduct envisaged by the Model and its Annexes by Company employees are understood as a breach of contract.

It follows that the violation of the individual provisions and rules of conduct envisaged by the Model and its Annexes by the employees of the Company may lead to the adoption of disciplinary sanctions, within the limits established by the applicable National Collective Labor Agreement (CCNL; metalworking industry CCNL).

The measures that can be applied against the Company's employees due to misconduct, in compliance with the provisions of Art. 7 of the Italian Law no. 300 of 20 May 1970, are those provided for by the disciplinary regulations referred to in the National Collective Labor Agreement for employees of the metalworking and systems installation industry, in particular:

- verbal warning;
- written warning;
- fine not exceeding the amount of 3 hours of wages;
- suspension from work and from pay for up to a maximum of 3 working days;
- individual dismissal.

The type and extent of the disciplinary action is defined taking into account the

seriousness and/or recidivism of the violation and the degree of misconduct, more precisely:

- intentionality of the behavior;
- presence of aggravating or mitigating circumstances;
- seriousness of the violated obligations;
- extent of the damage to the Company;
- position, level of hierarchical responsibility and autonomy of the employee;
- any sharing of responsibility with other persons who participated in causing the breach;
- any similar prior misconduct.

In particular, in the case of the violation of the rules provided for by the Model or referred to in it and in the case of the commission (even as an attempt) of any crime under Italian Legislative Decree no. 231/2001, the provisions listed below apply.

VERBAL WARNING

- minor failure to comply with the rules of conduct of the Company Code of Ethics and the Protocols provided for by the Model;
- minor failure to comply with Company Procedures and/or the Internal Control System;
- tolerance of minor failures to comply or irregular conduct by subordinates or by other members of the personnel pursuant to the Model, the Protocols, the Internal Control System and the Company Procedures.
- failure to comply, due to minor negligence, with requests for information or the presentation of documents by the Control Body, unless for justified reasons.

“Minor failure to comply” refers to those cases where the conduct is characterized by minor negligence and has not generated any risk of sanctions or damage for the Company.

WRITTEN WARNING

A written reprimand may be applied in the case of those employees responsible for having, as a result of minor negligence, committed the following violations which may have exposed the Company to the risk of penalties or damage of no particular gravity:

- failure to comply with the rules of conduct of the company Code of Ethics and the Protocols provided for by the Model;
- failure to comply with Company Procedures and/or the Internal Control System;
- tolerance of failures to comply by subordinates or by other members of the personnel pursuant to the Model, the Protocols, the Internal Control System and the Company Procedures;
- delay in the fulfillment of requests for information or for the presentation

of documents by the Supervisory Body, unless for justified reasons.

FINE NOT EXCEEDING THE AMOUNT OF 3 HOURS OF WAGES / SUSPENSION FROM WORK AND FROM PAY FOR A MAXIMUM OF 3 WORKING DAYS

- violations punishable with the previous sanctions, when due to objective circumstances, specific consequences or recidivism, they take on greater relevance;
- repeated or serious failures to comply with the rules of conduct of the Company's Code of Ethics and the Protocols provided for by the Model;
- repeated or serious failures to comply with the Company Procedures and/or the Internal Control System;
- failure to report or tolerance of failures to comply by subordinates or by other members of the personnel pursuant to the Model, the Protocols, the Internal Control System, and the Company Procedures;
- repeated failures to fulfill requests for information or the presentation of documents by the Supervisory Body, unless for justified reasons.

DISMISSAL FOR JUSTIFIED SUBJECTIVE REASON OR FOR JUST CAUSE

Significant violation (committed with intent or gross negligence) of the rules of conduct provided for by the Model, the Code of Ethics, the related 231 Protocols and the Company Procedures, such as to cause, even potentially, serious moral or material harm to the Company, such as conduct resulting in one or more Crimes or unlawful acts representing the conditions for Crimes, such as, by way of example:

- all violations of company rules issued pursuant to Italian Legislative Decree no. 231/2001 so serious, due to the willfulness of the fact or the criminal or pecuniary consequences or the recidivism or its particular nature, as to break the relationship of trust with the Company;
- commission of inappropriate acts or the omission of obligations pursuant to the Model or the related 231 Protocols, resulting at the end of judicial proceedings in the sentencing of the Company to pay fines and/or injunctive measures for having committed the crimes provided for by Italian Legislative Decree no. 231/2001;
- violation of Company Procedures of such severity, whether due to the willfulness of the fact or because it was committed with gross negligence or because of the technical, organizational, legal, economic or reputational consequences or for recidivism or for its particular nature, as to break the relationship of trust with the Company.

Dismissal for just cause will be applied in the event that the facts attributed to the employee are so severe as not to permit the continuation, even provisional, of the employment relationship.

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

GENERAL PRINCIPLES

It is understood that the procedures, provisions and guarantees provided for by Art. 7 of the Laborers' Statute will be applied for disciplinary measures. In particular:

- no disciplinary measure can be implemented against a worker without having previously notified the individual of the misconduct and without offering him/her the opportunity to defend him/herself;
- for more serious disciplinary measures than a warning or verbal reprimand, the worker must be notified in writing of the specific violation;
- a disciplinary measure cannot be applied until at least eight days following the notification, a period during which the worker may present his/her justifications. If the disciplinary measure is not issued within the subsequent 8 days, the worker's justifications will be considered accepted;
- the measure must be applied within sixteen days of the notification even if the worker does not provide any justification;
- if the violation is serious enough to result in dismissal, the worker may be suspended from work as a precaution until the measure is issued, without prejudice to his/her right to remuneration during this period;
- the imposition of any disciplinary measure must be justified and communicated in writing;
- the worker may present his/her justifications in writing or verbally.

The verification of the aforementioned violations (possibly by the Supervisory Body), the management of disciplinary measures, and the imposition of the relative sanctions are the responsibility of the Employer through the management personnel of reference.

Any instrument or measure relating to the disciplinary procedure must be communicated to the Supervisory Body for the evaluation and monitoring within its competence.

4.3 Measures against managers

The conduct of senior management constituting a violation of the rules of conduct or the procedural rules provided for in the Model are sanctioned by the Company in compliance with Art. 7 of the Laborers' Statute and the National Collective Agreement for Industry Managers.

The disciplinary measures against managers, in addition to the revocation of any powers granted include:

- written reprimand, in the event of a minor violation of the Model;
- dismissal without notice, in the event of a serious violation of the Model that damages the relationship of trust with the Company in such a way as to prevent the continuation, even temporarily, of the employment relationship.

By way of example, the following constitute violations:

- the commission, even in the form of an attempt, of a crime under Italian Legislative Decree no. 231/2001 in the performance of his/her office;

- the failure to comply with the rules established by the Model or the Code of Ethics;
- the failure to supervise subordinates regarding compliance with the Model and the rules referred to in it;
- the failure to fulfill the obligations related to “reporting” and “information” with regard to the Supervisory Body;
- the tolerance of or failure to report non-compliant conduct by other employees, associates, or contractors of the Company;
- the violation of the measures to protect the reporting party defined by the Company as well as willful misconduct or gross negligence related to making false reports.

In any case, if the violation of the Model interrupts the relationship of trust with the Company, the sanction is the termination of the employment relationship.

Any instrument or measure relating to the disciplinary procedure must be communicated to the Supervisory Body for the evaluation and monitoring within its competence.

4.4 Measures against Directors

The Supervisory Body, aware of a violation of the provisions and rules of conduct of the Model or of the Code of Ethics by members of the Board of Directors, must promptly notify the Sole Shareholder and the entire Board of Directors which, having evaluated the validity of the report and having carried out the necessary verifications, may take the appropriate measures provided for by the Law, having heard the opinion of the Board of Statutory Auditors.

The Sole Shareholder, on the proposal of the Board of Directors and after consulting the Board of Statutory Auditors, considering the seriousness of the violation and the circumstances in which it was committed, will adopt, in accordance with the powers provided for by the law and/or the Articles of Association, the sanctions indicated below, without prejudice to the Company’s right to pursue civil and/or criminal legal actions independently and regardless of the application of said measures:

- revocation of the delegated powers;
- revocation of the appointment.

In the event of violations committed by a member of the senior management who also has the qualification of manager, the disciplinary sanctions referred to in Art. 4.3 above will apply.

By way of example, the following are violations of a Director’s duties:

- the commission, in the performance of his/her functions, of a crime under Italian Legislative Decree no. 231/2001, even in the form of an attempt;
- the failure to comply with the rules established by the Model or the Code of Ethics;
- the failure to supervise the Company’s employees, associates, and contractors regarding their compliance with the Model and the rules

referred to in it;

- the failure to fulfill the obligations related to “reporting” and “information” with regard to the Supervisory Body;
- the violation of the measures to protect the reporting party defined by the Company as well as willful misconduct or gross negligence related to making false reports;
- the tolerance of or failure to report non-compliant conduct by other employees, associates, or contractors of the Company.

Any instrument or measure relating to the disciplinary procedure must be communicated to the Supervisory Body for the evaluation and monitoring within its competence.

4.5 Measures against Statutory Auditors

The Supervisory Body, being aware of a violation of the provisions and rules of conduct of the Model or the Code of Ethics by one or more Statutory Auditors, must promptly inform the entire Board of Statutory Auditors and the Board of Directors of the incident which, having assessed the content of the report and carried out the necessary investigations, may take, in accordance with the law, the appropriate actions in order to adopt the most suitable measures provided for by the law.

The Sole Shareholder, on the recommendation of the Board of Directors and after consulting the Board of Statutory Auditors, taking into account the seriousness of the violation and the circumstances in which it was committed, will revoke the appointment for just cause, in accordance with the powers provided for by the law and/or the Articles of Association, without prejudice to the Company’s right to pursue civil and/or criminal legal actions independently and regardless of the application of this measure.

By way of example only, the following constitutes a violation of the Model:

- failure to monitor and/or supervise subordinates regarding the proper application of the rules of conduct and procedures of the Model;
- failure to notify the Supervisory Body and/or the Board of Directors and/or the Board of Statutory Auditors of the violations of the Model committed by employees and/or the senior management of which there is certain and direct knowledge.

Any instrument or measure relating to the disciplinary procedure must be communicated to the Supervisory Body for the assessments and monitoring within its competence.

4.6 Measures against suppliers and business partners

Where possible, compliance with the Code of Ethics and/or the Protocols applicable to contracts, particularly those related to procurement and consultancy services, is a necessary condition to enter into contracts of any type with the Company.

When possible, such contracts must provide for termination clauses, or withdrawal rights in favor of the Company without any penalty for the latter, in the event of the commission of the crimes under Italian Legislative Decree no. 231/2001, or in the

event of the violation of rules of the Code of Ethics, the Model and/or related Protocols.

In any case, the commission of crimes or misconduct that violate the Company's Code of Ethics or the Protocols will be considered just cause for the termination of the contract pursuant to Art. 1453 *et seq.* of the Italian Civil Code.

The Company reserves the right to take criminal action and claim compensation for damage if such behavior causes damage of any kind to the Company, for example, in the case in which a court applies the measures provided for by the Decree to the Company.

4.7 Measures against collaborators, consultants, self-employed workers

As regards the Company's self-employed workers and collaborators in general, violations or the circumvention of the Model, the Code of Ethics and/or the Protocols represent a serious breach of contract. Therefore, reference is made to the provisions of Art. 1453 *et seq.* of the Italian Civil Code in relation to the termination of contracts due to non-fulfillment of obligations.

Therefore, where possible, in all relations with the aforementioned subjects, specific termination clauses must be provided for, in particular in procurement and collaboration contracts, in addition to specific clauses providing for compensation for damage and indemnity.

5. Dissemination of the Model

5.1 Premise

Adequate training and ongoing provision of information to the Recipients regarding the principles and provisions contained in the Model and its Annexes are of paramount importance for its proper and effective implementation.

All the Recipients of the Model are required to have full knowledge of the objectives of correctness and transparency that are pursued with the Model and of the methods by which the Company has undertaken to pursue them through the preparation of an adequate system of procedures and controls.

Communication and training on the principles and contents of the Model are guaranteed by the Supervisory Body which identifies, in agreement with the Company, the best way to use them.

The communication and training activities (including the training plan) are supervised by the Supervisory Body which may propose any changes or additions deemed useful.

5.2 Communication regarding the Model

The adoption of this Organizational Model and its subsequent updates are communicated to the Recipients immediately after its adoption or update. The Organizational Model is published in electronic format on the company intranet. All Recipients are notified of this publication by means of a specific e-mail communication.

Following the publication of the Organizational Model on the intranet, the Recipients

undertake to comply with the principles, rules, and procedures contained therein as they carry out the tasks relating to the areas relevant to the Decree and in any other activity that may be carried out in the interest or to the advantage of the Company.

New hires will be made aware of the adoption of the Organizational Model and will be provided with precise indications to find the Organizational Model on the company intranet.

Furthermore, each employee will be required to sign a declaration of acceptance of the contents of the Model.

5.3 Personnel training

In order to facilitate the understanding of the legislation referred to in the Decree and the Model, employees, in different ways according to their position and degree of involvement in the activities identified as sensitive pursuant to Italian Legislative Decree no. 231/2001, are required to participate in the specific training activities promoted.

The Company guarantees the organization of specific training activities aimed at senior management and other employees involved in sensitive activities, with frequency and contents suited to ensure knowledge of the Decree and the dissemination of the Model and the Code of Ethics.

Attendance at training programs is mandatory for all relevant Recipients and must be documented. Verifications of attendance and learning through tests may also be implemented.

5.4 Informing consultants and external collaborators

At the very beginning of any collaboration, consultants and external collaborators are made aware of the Model and the Code of Ethics adopted by the Company as well as the requirement that their conduct be in compliance with Italian Legislative Decree no. 231/2001.

6. Updating and adaptation of the Model

The Board of Directors deliberates on the updating of the Model and its adaptation in relation to changes and/or additions that may become necessary as a result, for example, of:

- changes in the organizational structure of the Company and/or in the methods of carrying out business activities;
- regulatory changes;
- results of controls and inspections;
- significant violations of the provisions of the Organizational Model.

In the event that changes of an exclusively formal nature are necessary, such as explanations or clarifications of the text, the company departments can propose them to the Managing Director, who reports them without delay to the Board of Directors, after having heard the opinion of the SB. The Managing Director formally

communicates the changes made to company personnel.

In any case, any events that make it necessary to modify or update the Model must be reported in writing by the SB to the Board of Directors, so that it can make the resolutions within its competence.

The amendments to the corporate rules and procedures necessary for the implementation of the Model are prepared by the competent corporate Departments. The SB is continuously informed of the updating and implementation of the new operating procedures and has the right to express its opinion on the proposed amendments.