ORGANISATION , MANAGEMENT AND CONTROL MODEL

Green Horse Financial Advisory s.r.l.

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DEFINITIONS

1. **Sensitive Activities**: company activities within the scope of which there could be a risk of one of the offences expressly referred to in Legislative Decree 231/01 being committed;
2. **Board:** Directors;
3. **Code of Ethics**: an official document setting out the set of ethical and social principles established by the Entity and to be observed by those working within the organisation of the company;
4. **Decree**: Legislative Decree No. 231 of 8 June 2001, as amended;
5. **Addressees**: top managers, subordinate individuals, as well as all individuals who are functionally connected to Green Horse Financial Advisory s.r.l. and to whom the provisions of this Organisation, Management and Control Model are addressed;
6. **Risk Management**: a maieutical process that the Entity activates internally in the most appropriate manner having as reference its internal (organisational structure, size, etc.) and external (economic sector, geographical area, etc.) operational context;
7. **Green Horse Financial Advisory s.r.l.:** Company or Entity;
8. **Groups of Companies**: a group of companies subject to specific regulatory indices such as control and connection (Article 2359 of the Civil Code) and/or management and coordination (Article 2497 of the Civil Code);
9. **Guidelines**: Confindustria Guidelines in the latest updated version (June 2021);
10. **Model**: this Organisation, Management and Control Model (General Part and Special Part);
11. **Organizational Chart**: graphical representation of the organisation structure of the Entity with an indication of the Business Units and the functions they comprise and how they are interconnected. The Organizational Chart identifies:
    a. FOUNDING MEMBERS AND DIRECTORS
    b. ADMINISTRATION AREA and PERSONAL ASSISTANTS
    c. COLLABORATORS
    d. EXTERNAL CONSULTANTS
12. **Supervisory Board (SB)**: body provided for by Legislative Decree No. 231/2001, with the function of supervising the operation of and compliance with the Model and its updating;
13. **Prevention Protocols**: protocols aimed at planning the formation and implementation of the Entity's decisions in the context of sensitive activities in order to prevent the predicate offences;
14. **Predicate Offences**: the specific offences identified by the Decree from which the Entity's administrative liability may derive, as well as, to the extent that they are comparable, the specific

administrative offences in relation to which the application of the rules contained in the Decree itself is envisaged.

15. **Retaliation**: direct or indirect retaliatory or discriminatory acts against a person who reports an offence or irregularity committed in the workplace for reasons directly or indirectly linked to such report;
16. **Whistleblower**: an individual who reports or publicly discloses information about violations acquired in the context of his or her work or with reference to the corporate context;
17. **Reported Person**: the person to whom the whistleblower attributes the commission of the offence/irregularity that is the subject of the report;
18. **Report**: written communication – through the channels made available to the Company – of information on violations as governed by Legislative Decree 24/2023;
19. **Anonymous Report**: any report in which the identity of the whistleblower making the report is neither explicit nor traceable;
20. **Bad-Faith Report**: a report made for the sole purpose of harming or, in any case, prejudicing a person to whom the Model or the Code of Ethics is addressed;
21. **Report (Channels)**: appropriate channels to guarantee, also by computerised means, the confidentiality of the whistleblower's identity; among the report channels, the Entity has adopted the written report channel;
22. **Report (Addressee)**: a person or body of the Entity who receives reports and is in charge of analysing and verifying them;
23. **Disciplinary System**: a system of sanctions, with a preventive function, to safeguard any violations of the provisions of the Code of Ethics, the Model and the protocols contained therein;
24. **Top Managers**: persons who hold positions of representation, administration or management of the Company or of one of its units with financial and functional autonomy, or who exercise, even *de facto*, the management and control of the Company;
25. **Subordinates**: persons subject to the direction or supervision of one of the Top Managers, whether they are employees in any capacity whatsoever or collaborators or external consultants, even if only on an occasional basis, in the absence of subordinate relationships;
26. **Whistleblowing**: the reporting of unlawful conduct, violations of national or European Union law, as provided for by Legislative Decree 24/2023, which harm the public interest or the integrity of the public administration or the private Entity, of which the Whistleblowers have become aware in the course of their work within the company itself or in other circumstances.

GENERAL PART

SECTION I

REGULATORY FRAMEWORK

1. Introduction

Legislative Decree No. 231/2001 (hereinafter also referred to as the "Decree"), containing the "*Rules on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of 29 September 2000*", introduces and regulates in our system the liability of Entities for administrative offences dependent on a crime.

The Entities to which the Decree applies are:

1. Entities with legal personality;
2. companies and associations, including those without legal personality;
3. economic Public Entities;
4. private Entities that are concessionaires of a public service;
5. subsidiaries of Public Administrations.

On the other hand, the Decree does not apply to the State, territorial Public Entities, non-economic Public Entities and Entities that perform functions of constitutional importance (e.g., political parties and trade unions).

On the basis of this regulation, the Entity is liable for the commission or attempted commission of certain offences, expressly provided for in the Decree, by persons functionally linked to them, so-called "top managers" or "subordinate persons", such as employees or collaborators.
More specifically, the Entity's liability can only exist in relation to the predicate offence committed by one of the following qualified persons:

- persons who hold positions of representation, administration or management of the Entity or of one of its organisational units with financial and functional autonomy and who carry out, also *de facto*, the management and control of the Entity. These are individuals who, on account of the functions they perform, are referred to as "top managers";
- persons subject to the direction or supervision of top managers.

However, the Entity may be exempt from such liability if:

- it has adopted and effectively implemented an Organisation, Management and Control Model (hereinafter also referred to as the "Model") capable of preventing the offences provided for in the Decree;

- a Supervisory Board (hereinafter also referred to as "SB") has been set up to supervise the operation of and compliance with the Model and to update it;
- it has prepared and made effective, with proper diffusion, the Code of Ethics.

The exemptions from liability defined in the regulation also include the periodic verification and updating of the Model in response to:

- changes that affected the organisational structure of the Entity;
- changes that have affected the activity carried out by the Entity and/or the products offered by it to its customers;
- detection of any violations of the organisational rules provided for in the Model.

Such update is also necessary in connection with legislative developments (extension of offences) and new case law on the subject.

Failure to comply with the rules contained in the Decree may result in sanctions for the Entity that may also strongly affect the exercise of its activity.
The liability of the Entity does not replace but is in addition to the personal liability of the individual who committed the offence.
This is an independent liability of the Entity, which is also liable in cases where the perpetrator of the criminal conduct has not been identified, cannot be charged or the offence has been extinguished for reasons other than amnesty.

A national registry is established in which final judicial decisions concerning the application and enforcement of administrative sanctions dependent on a criminal offence, as well as those whereby an administrative offence dependent on a criminal offence is alleged or whereby a decision on the allegation is taken, are entered in extract. Every body having jurisdiction in relation to administrative offences dependent on a criminal offence, all public administrations, Entities entrusted with public services, when necessary to carry out an act within their functions, and the public prosecutor, for reasons of justice, have the right to obtain a certificate of all existing registrations in the registry in relation to the Entity.

2. Predicate offences

The Entity may be held liable only in relation to certain offences (so-called predicate offences), identified by the Decree and subsequent supplements thereto, as well as by the laws that expressly and exhaustively

refer to the provisions of the Decree, which came into force before the act was committed.

The predicate offences to which the Decree refers are those set out in Sect. III of Chapter I of Legislative Decree No. 231/2001 (Articles 24 *et seq*.), which may be included, for convenience of exposition, in the following categories:

- **offences committed in relations with the Public Administration**, Articles 24 (Undue receipt of funds, fraud against the State, a public body or the European Union or to obtain public funds, computer fraud to the detriment of the State or a public body and fraud in public supplies) updated following the transposition of Law No. 137/2023, and 25 (Embezzlement, extortion, undue induction to give or promise benefits, bribery and abuse of office) of Legislative Decree No. 231/2001;
- **computer crimes and unlawful data processing**, introduced by Article 7 of Law No. 48 of 18 March 2008, which inserted Article 24 bis into Legislative Decree No. 231/2001;
- **organised crime offences**, introduced by Article 2(29) of Law No. 94 of 15 July 2009, which inserted Article 24 ter into Legislative Decree No. 231/2001;
- **offences relating to counterfeiting money, public credit cards, revenue stamps and identification instruments or signs**, introduced by Article 6 of Law No. 409 of 23 November 2001, which inserted Article 25 bis into Legislative Decree No. 231/2001, as amended by Article 15(7)(a) of Law No. 99 of 23 July 2009;
- **offences against industry and trade**, introduced by Article 15(7)(b) of Law No. 99 of 23 July 2009, which inserted Article 25 bis.1 into Legislative Decree No. 231/2001;
- **corporate offences**, introduced by Legislative Decree No. 61 of 11 April 2002, which inserted Article 25 ter into Legislative Decree No. 231/2001, amended by Law No. 190 of 6 November 2012 and, subsequently, by Legislative Decree No. 38 of 15 March 2017 and, finally, by Legislative Decree No. 19/2023 which included the offence of False or omitted declarations for the issue of the preliminary certificate (Article 54 of Legislative Decree No. 19/2023);
- **offences for the purpose of terrorism or subversion of the democratic order**, introduced by Law No. 7 of 14 January 2003, which inserted Article 25 quater into Legislative Decree No. 231/2001;
- **offences of female genital mutilation practices**, introduced by Law No. 7 of 9 January 2006, which inserted Article 25 quater.1 into Legislative Decree No. 231/2001;

- **offences against the individual**, introduced by Law No. 228 of 11 August 2003, which inserted Article 25 quinquies into Legislative Decree No. 231/2001, subsequently amended by Article 10 of Law No. 38 of 6 February 2006 and by Law No. 199/2016;
- **offences of insider trading and market manipulation**, provided for by Law No. 62 of 18 April 2005, which inserted Article 25 sexies into Legislative Decree No. 231/2001;
- **crimes of involuntary manslaughter and serious or very serious negligent injuries**, committed in breach of the rules on accident prevention and on the protection of the health and safety of workers, introduced by Law No. 123 of 3 August 2007, which inserted Article 25 septies in Legislative Decree No. 231/2001, as amended by Article 300 of Legislative Decree No. 81 of 9 April 2008;
- **offences of receiving stolen goods, money laundering, use of money, goods or benefits of unlawful origin and selflaundering**, introduced by Legislative Decree No. 231 of 21 November 2007, which inserted Article 25 octies into Legislative Decree No. 231/2001, subsequently amended by Law No. 186/2014 and lastly replaced by Article 72(3) of Legislative Decree No. 231 of 21 November 2007, as amended by Article 5(1) of Legislative Decree No. 90 of 25 May 2017;
- **offences relating to non-cash means of payment**, added by Legislative Decree No. 184/2021 which inserted Article 25 octies.1 into Legislative Decree No. 231/2001, subsequently amended by Law No. 137/2023;
- **offences relating to violation of copyright**, introduced by Article 15(7)(c) of Law No. 99 of 23 July 2009, which inserted Article 25 novies into Legislative Decree No. 231/2001;
- **the offence of inducement not to make statements or to make false statements to judicial authorities**, introduced by Article 4 of Law No. 116 of 3 August 2009, as replaced by Article 2(1) of Legislative Decree No. 121 of 7 July 2011, which inserted Article 25 decies into Legislative Decree No. 231/2001;
- **environmental offences**, introduced by Article 4(2) of Law No. 116 of 3 August 2009, as replaced by Article 2(1) of Legislative Decree No. 121 of 7 July 2011, which inserted Article 25 undecies into Legislative Decree No. 231/2001, subsequently updated by Law 68/2015 and amended by Legislative Decree 21/2018;
- **crime of employment of third-country nationals whose stay is irregular**, introduced by Article 2 of Legislative Decree No. 109 of 16 July 2012, which inserted Article 25 duodecies into Legislative Decree No. 231/2001, amended by Law 161/2017;
- **offences relating to racism and xenophobia**, introduced by Law No. 167 of 20 November 2017,

which inserted Article 25 terdecies into Legislative Decree No. 231/2001, subsequently amended by Legislative Decree 21/2018;

- **offences relating to fraud in sporting competitions, abusive gaming or betting and gambling exercised by means of prohibited devices**, introduced by Law No. 39 of 3 May 2019, which inserted Article 25 quartedecies into Legislative Decree No. 231/01.
- **tax offences**, introduced by Decree Law No. 124 of 26 October 2019, converted by Law No. 157/2019, which inserted Article 25 quinquiesdecies into Legislative Decree No. 231/01, subsequently amended by Legislative Decree 75/2020.
- **smuggling offences**, introduced by Legislative Decree 75/2020, which inserted Article 25 sexiesdecies into Legislative Decree 231/01;
- **offences against the cultural heritage,** following the approval of bill No. 882 of 14 December 2021, the text of which provided for the inclusion of the incriminatory offences set out in the Cultural Heritage Code (Legislative Decree 42/2004) in the Criminal Code. In particular, two new articles have been included in the catalogue of Legislative Decree 231/01: Art. 25 septiesdecies entitled "Crimes against the cultural heritage" which provides for financial and interdictive sanctions for the crimes of alienation, embezzlement, unlawful importation, unlawful exit or exportation, destruction, dispersion, deterioration, defacement, embellishment and unlawful use of cultural or landscape assets, counterfeiting of works of art, theft, receiving of cultural assets and forgery in private writing relating to cultural assets; Art. 25 duodevicies entitled "Laundering of cultural goods and devastation and looting of cultural and landscape assets", which extends the liability of legal persons to the offences of laundering of cultural goods and devastation and looting of cultural and landscape assets.

Law No. 146 of 16 March 2006, ratifying and executing the United Nations Convention and Protocols against Transnational Organised Crime, introduced a number of offences that are relevant under the Decree if they are committed by an organised criminal group and have the character of *transnationality*, by which is meant the need for them to be committed:

1. in more than one state;
2. in one state provided, however, that a substantial part of their preparation, planning, direction or control took place in another state;
3. in one state, but they must involve an organised criminal group engaged in criminal activities in more than one state;

4. in one state but with substantial effects in another state.

In particular, the occasional transnational offence is not of interest for the purposes of Legislative Decree No. 231/2001; what the regulation is concerned with is the offence which is the result of an organised activity endowed with stability and a strategic perspective and likely to be repeated over time.

The liability of an entity pursuant to Legislative Decree No. 231/2001 may arise when the offences indicated below are committed, in the interest or to the advantage of the Entity itself, through contacts with an organised criminal organisation:

- provisions against clandestine immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5, of the Consolidated Text of Legislative Decree No. 286 of 25 July 1998);
- association for the purpose of illicit trafficking in narcotic or psychotropic substances (Article 74 of the Consolidated Text of Presidential Decree No. 309 of 9 October 1990);
- criminal association for the purpose of smuggling foreign manufactured tobacco (Article 291-quater of the Consolidated Text of Presidential Decree No. 43 of 23 January 1973);
- inducement not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Criminal Code);
- personal aiding and abetting (Article 378 of the Criminal Code);
- criminal conspiracy (Article 416 of the Criminal Code);
- mafia-type association (Article 416-bis of the Criminal Code).

Criteria for imputation of liability to the Entity

The commission of one of the predicate offences constitutes only one of the conditions for the applicability of the rules laid down in the Decree.

There are, in fact, further conditions pertaining to the manner in which the offence is imputed to the Entity and which, depending on their nature, can be subdivided into imputation criteria of an objective nature and of a subjective nature.

Objective criteria require that offences have been committed:

1. by a person functionally linked to the Entity;
2. in the interest or to the benefit of the Entity.

As to the first profile, the perpetrators of the offence, according to the provisions of the Decree, may be:

a) persons with functions of administration, management and direction of the Entity or of one of its organisational units endowed with financial and functional autonomy, as well as those who

exercise, even *de facto*, the management and control of the Entity (so-called top managers), and therefore, persons who hold positions of representation, administration or management of the Entity or of one of its organisational units with financial and functional autonomy and who carry out, also *de facto*, the management and control of the Entity. These are individuals who, on account of the functions they perform, are referred to as "top managers". In particular, the category of top managers (a) may include directors, general managers, legal representatives, but also, for example, directors and area managers. All persons delegated by the directors to carry out management or direction activities in the Company must be considered top managers;

b) persons subject to the direction and control of top managers (so-called subordinates). The category of subordinates includes all those who are subject to the direction and supervision of top managers and who, in essence, execute the decisions taken by top managers. This category includes all employees of the Entity, as well as all those who act in the name of, on behalf of or in the interest of the Entity, such as, for example, collaborators and consultants, as well as process managers.

If several persons concur in the commission of the predicate offence, however, it is sufficient for the top managers or subordinate person to make a conscious contribution to the commission thereof, even if he or she does not commit the typical action himself or herself.

On the other hand, as regards the second profile provided for by the Decree, in order for the Entity to be held liable, it is necessary that the offence has been committed in the interest or to the advantage of the Entity itself, by which is meant both the cases in which the Entity has gained a positive result from the conduct and those in which this aim, although pursued, was not achieved by the perpetrator.
With regard to the concept of interest, it must exist if the qualified person has acted, fraudulently, for his/her own benefit or for the benefit of third parties and the company, even if this is partial or marginal for the Entity[1]. Thus, the concept of interest takes on a subjective character, referring to the volitional sphere of the natural person acting, and assessing his or her conduct at the time of the conduct. The interest, recently, must also be read from an objective perspective by emphasising the finalistic component of conduct[2].
With reference to the advantage, it should be noted that it must be characterised as a complex of benefits – mainly of a patrimonial nature – derived from the offence. The advantage, as opposed to interest, can be

[1] see Penal Court of Cassation, Section V, No. 40380/2012.
[2] see Penal Court of Cassation, Section II, No. 295/2018 and Penal Court of Cassation, Section IV, No. 3731/2020.

assessed ex post to the commission of the fraudulent conduct[3]. The "patrimonial" advantage can[4] also be understood in terms of cost savings.
In negligent offences, including safety at work (Art. 25 septies) and environment (Art. 25 undecies), the interest and advantage must, for the most part, relate to the conduct in breach of the precautionary rules[5].

In any case, the Entity is not liable if the offence was committed solely in the interest of the offender or of third parties.

The imputation criteria of a subjective nature relate to the profile of the Entity's culpability. The Entity's liability exists if proper standards of sound management and control relating to its organisation and the performance of its activities have not been adopted or have not been complied with. The fault of the Entity, and thus the possibility of imposing a reproach on it, depends on the establishment of an incorrect business policy or structural deficits in the company organisation that did not prevent the commission of one of the predicate offences.

However, the Decree excludes the Entity's liability if, before the offence was committed, it had equipped itself with and effectively implemented an Organisation, Management and Control Model capable of preventing the commission of offences of the kind committed.
The Model thus operates as an exemption in the event of commission of predicate offences.

If the predicate offence has been committed by a top manager, the Decree introduces a kind of presumption of liability for the Entity, which is held liable unless it proves that:

- the management body has adopted and effectively implemented, prior to the commission of the offence, a Model capable of preventing offences of the kind committed;
- the task of supervising the functioning of and compliance with the Model and ensuring that it is updated has been entrusted to a body of the Entity endowed with autonomous powers of initiative and control (Supervisory Board or also SB);
- the persons who committed the offence did so by fraudulently circumventing the Model;
- there has been no omission or insufficient supervision by the Supervisory Board.

[3] see Penal Court of Cassation, Section II, No. 295/2018.
[4] see Penal Court of Cassation, Section IV, No. 3731/2020; Penal Court of Cassation, Section IV, No. 31210/2016.
[5] see Penal Court of Cassation, Section IV, No. 16713/2018; Penal Court of Cassation, Section IV, No. 3731/2020; Penal Court of Cassation, Section IV, No. 48779/2019;

For offences committed by subordinates, however, the Entity is liable only if it is proved that "*the commission of the offence was made possible by a failure to comply with the management or supervisory obligations*" typically incumbent on top management.
Again, in any case, this prerequisite does not apply if the Entity has adopted and effectively implemented the Model, prior to the commission of the offence, thereby excluding the failure to comply with management or supervisory obligations.

In the light of the above, the adoption and effective implementation of the Model, while not constituting a legal obligation, represent the only means available to the Entity to prove its extraneousness to the offences and, ultimately, to be exempt from the liability established by the Decree.

3. The territorial boundary of application of criminal liability 231/01 (offences committed abroad)

Article 4 of Decree 231/01 regulates offences committed abroad, providing that Entities with their head office on Italian territory are also liable in relation to predicate offences committed abroad, in the cases and under the conditions provided for by Articles 7 and 10 of the Criminal Code, provided that the state in which the offence was committed does not prosecute them.
Thus, the Entity is liable to prosecution when:

- has its head office, i.e. the actual place where administrative and management activities are carried out, or the place where the activity is carried out on a continuous basis (Entities without legal personality), in Italy;
- the state in which the act was committed is not proceeding against the Entity;
- at the request of the Minister of Justice. If the legislation provides that the perpetrator of the offence is punished at the request of the Minister of Justice, proceedings are brought against the Entity only if the request is also made against the latter.

4. The Organisation, Management and Control Model

The Model operates as an exemption from the Entity's liability only if it is suitable for the prevention of the predicate offences and only if it is effectively implemented.
In spite of the fundamental importance attributed to the Model in any criminal proceedings involving the Entity, the Decree, however, does not analytically indicate the characteristics and contents that the Model

itself must have, but limits itself merely to dictating certain general principles.
Therefore, Confindustria – with its Guidelines of June 2021 – proposes to offer companies that have chosen to adopt an Organisational Model a series of indications and measures, drawn from business practice, deemed in abstract terms suitable to meet the requirements outlined in Decree 231/01.
The Guidelines aim, therefore, to guide companies in the implementation of Organisational Models that do not represent a mere bureaucratic fulfilment, but are specifically adherent to the characteristics of the Entity and its organisation and the measures adopted, also reflected in the Protocols drafted.

In particular, the Model shall:

- identify the activities within the scope of which offences may be committed (so-called sensitive activities);
  envisage specific protocols aimed at planning the formation and implementation of the Entity's decisions, in relation to the offences to be prevented, identifying the risk coefficient, including potential risk, and designing a control system taking into account the probability of occurrence of the event and the impact of the event itself;
- identify ways of managing financial resources that are suitable for preventing the commission of offences;
- identify ways of mitigating the risk of offences by drafting the aforementioned Protocols and Appendices or operating procedures. These include, purely by way of example and certainly not exhaustively, the Anti-Corruption Appendix, the Tax Risk Management Appendix (also by identifying the figure of the TCF – Tax Control Framework), etc.;
- provide for information obligations vis-à-vis the body in charge of supervising the functioning of and compliance with the models;
- introduce a structured disciplinary system, suitable for penalising non-compliance with the measures indicated in the Model.

With reference to the effective implementation of the Model, the Decree also provides for the need to periodically check and amend it if significant violations of the provisions are discovered or if changes occur in the organisation or activity of the Entity.

5. The attempted crime

The Entity's administrative liability also arises if one of the predicate offences (i.e. crimes) provided for in

the Decree is committed in the form of an attempt, pursuant to Article 56 of the Criminal Code.

The Entity, however, is not liable when it voluntarily prevents the performance of the action or the realisation of the event.

In cases of attempted crime, the financial and interdictive sanctions imposed on the Entity shall be reduced by between one third and one half.

6. Sanctions

The sanctioning apparatus for administrative offences dependent on crime provides for:

- **financial sanctions**,
- **interdictive sanctions**;
- **ancillary sanctions**:
  - confiscation;
  - publication of the judgment.

These sanctions are administrative in nature, even if they are applied by a criminal court.

Administrative sanctions are imposed on the Entity within five years from the date of commission of the offence. The statute of limitations is interrupted in the case of:

- request for the application of interdiction measures;
- contestation of the administrative offence;

and as a result of the interruption a new limitation period begins.

If the interruption is effected by the contestation of the administrative offence dependent on crime, the limitation period does not run until the moment when the judgement becomes final.

The limitation periods for the administrative offence of the Entity and for the offence of the natural person, therefore, do not necessarily coincide.

7.1. Financial sanctions

In the event of conviction of the Entity, a financial sanction is always applied.

The financial sanction is determined by the judge through a system based on quotas, the value of which varies according to parameters predetermined by the Decree.

The amount of a fee ranges from a minimum of EUR 258 to a maximum of EUR 1,549.

In determining the size of the individual quota, the judge takes into account the economic and patrimonial conditions of the Entity in order to ensure the effectiveness of the sanction.

When determining the sanction, the judge shall also establish the number of applicable quotas – not less than 100 nor more than 1,000 –, taking into account the seriousness of the offence, the degree of liability of the Entity, the activity carried out to eliminate the consequences of the offence and mitigate them, and to prevent the commission of other offences.

There are cases of reduction of the financial sanction:

- if the offender has committed the offence primarily in its own interest or in the interest of third parties and the Entity has not gained an advantage or has gained a minimal advantage;
- if the damage caused is not significant.

In addition, the sanction may be reduced by between one third and one half if, prior to the opening statement of the hearing:

- the Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence;
- a Model suitable for preventing the commission of further offences has been adopted and made operational.

7.2. Interdictive sanctions

Interdictive sanctions are applied in addition to the financial sanction, but only if expressly provided for in respect of the offence being prosecuted and provided that at least one of the following conditions is met:

- the Entity has derived a relevant profit from the offence and the offence has been committed:
  - by a top manager;
  - by a subordinate, but only if the commission of the offence was facilitated by serious organisational deficiencies;
- in the event of repeated offences.

The interdictive sanctions are:

- interdiction, temporary or permanent, from exercising the activity;
- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;
- prohibition to contract with the Public Administration, except to obtain the performance of a public service;
- exclusion from facilitations, financing, contributions or subsidies and the possible revocation of

those already granted;

- temporary or permanent ban on advertising goods or services.

Interdictive sanctions represent the most afflictive measures for the Entity and are normally temporary. However, in the most serious cases, they can exceptionally be applied with definitive effects.

Interdictive sanctions may also be applied as a precautionary measure, as will be seen in paragraph 7 of this section.

Interdictive sanctions, however, do not apply – or are revoked if they are applied as a precautionary measure – if the Entity, before the opening statement of the first degree hearing (pursuant to Article 17 of Legislative Decree No. 231/01):

- has compensated the damage or repaired it;
- has eliminated the harmful or dangerous consequences of the offence or, at least, has made effective efforts to do so;
- has made the profit from the offence available to the judicial authorities for confiscation;
- has eliminated the organisational deficiencies that gave rise to the offence, by adopting and operating organisational models capable of preventing the commission of new offences of the kind that have occurred.

7.3. Ancillary sanctions

The Decree provides for two further sanctions:

- confiscation, i.e. the acquisition by the state of the price or profit of the offence, also by equivalent means; it is understood that in order to order the preventive seizure, the Judge shall assess serious indications of liability and the soundness of the charge[6];
- the publication of the conviction, in excerpts or in full, at the expense of the Entity, in one or more newspapers indicated by the Judge in the judgment as well as by posting in the municipality where the Entity has its head office.

8. Precautionary measures

The Decree provided for the possibility of applying, as a precaution, certain measures aimed at achieving

[6] see Penal Court of Cassation, Section VI, No. 34505/2012;

advance protection in the event of a conviction of the Entity.

For the application of precautionary measures, there must be serious indications of liability for the Entity and well-founded and specific elements of concrete danger of repetition of the offence for which they are being prosecuted.

Once it has been ascertained that it is possible to proceed with precautionary measures, the judge shall determine them taking into account their specific suitability in relation to the nature and degree of the precautionary needs to be met in the specific case; he/she must then take into account the principle of their proportionality to the extent of the offence and to the sanction that may be applicable.

Precautionary measures may take the form of interdictive measures, judicial receivership, preventive seizure and protective attachment.

With regard to interdictive measures, please refer to the considerations made in Section 7.2.

Judicial receivership presupposes the continuation of the Entity's activity by a commissioner. This instrument is generally used instead of an interdictive measure:

- when the Entity performs a public service the interruption of which may cause serious harm to the community;
- if the interruption of the Entity's activity may, in view of the size and economic conditions of the territory in which it is located, have significant repercussions on employment.

Preventive seizure applies only to assets for which confiscation is permitted, i.e. the profit and the product of the offence.

The protective attachment is intended as a precautionary measure to preserve the security for the payment of the sanction, the costs of the proceedings or any other amount due to the Treasury and affects the movable and immovable property of the Entity, the amounts or things for which it is a creditor.

9. Liability of the Entity and amending events

The Decree regulates the regime of the Entity's liability in the event of amending events, such as:

- transformation;
- merger;
- demerger;

- sale of the company.

The Decree establishes, as a general rule, that only the Entity is liable for the obligation to pay the financial sanction with its assets or common fund, thereby excluding the patrimonial liability of shareholders or associates, regardless of the legal nature of the Entity. This profile also extends in the event of the aforementioned amending events in the manner set out below.

Analysing the individual cases, the Decree lays down the rule that, in the event of a transformation of the Entity, "*liability for offences committed prior to the date on which the transformation took effect remains unaffected*". The new Entity will therefore be subject to the sanctions applicable to the original Entity, for acts committed prior to the transformation.

In the event of a merger, the Decree provides that the Entity resulting from the merger, including by incorporation, is liable for the offences for which the merging Entities were liable.

In the event of a partial demerger, when the demerger takes place by transferring only part of the assets of the demerged company, which continues to exist, the Decree provides, on the other hand, that the liability of the demerged Entity for offences committed prior to the demerger remains unaffected. However, the Entities benefiting from the demerger, whether partial or total, are jointly and severally liable for the payment of the financial sanctions owed by the demerged Entity for offences committed prior to the demerger. The obligation is limited to the value of the transferred assets, unless the going concern within which the offence was committed has been transferred even in part.
In any case, interdictive sanctions apply to Entities to which the going concern within which the offence was committed has remained or has been transferred even in part.
If the merger or demerger took place before the conclusion of the trial to ascertain the liability of the Entity, the judge, in calculating the financial sanction, shall take into account the economic conditions of the original Entity and not those of the Entity resulting from the merger.

In the event of a merger or a transfer of the company within which the offence was committed, the Decree establishes that, except for the benefit of the prior enforcement of the transferor Entity, the transferee is jointly and severally liable with the transferor Entity for the payment of the financial sanction, within the limits of the value of the transferred company and within the limits of the financial sanctions resulting from

the mandatory books of account, or for administrative offences of which the transferee was in any case aware.

10. Model 231 and provision for the appointment of the Entity legal counsel

In the event that the Entity is charged with a 231/01 offence and its legal representative is also under investigation for the predicate offence, provision is made for the appointment of a trusted legal counsel by a specifically delegated person who will protect the company's interests during the criminal proceedings (on this point, there is abundant case law, including, *ex multis*, Criminal Court of Cassation, No. 32110 of 25.07.2023; Criminal Court of Cassation, No. 35387 of 22.09.2022).

This necessity derives from the provisions of Art. 39 of Legislative Decree 231/01, according to which "The entity participates in the criminal proceedings with its legal representative, unless the latter is charged with the offence on which the administrative offence depends", an article designed to ensure the full guarantee of the right of defence for the collective subject, arising from the inherent conflict of interest that could exist between the defence of the natural person and that of the legal person. The principle was also reaffirmed by the United Sections of the Court of Cassation, judgement No. 33041 of 2015, which expressed a general and absolute prohibition of representation (by the legal representative under investigation), justified by the suspicion that the act of appointment of the legal counsel by the person under investigation could be "productive of potentially damaging effects at the level of the strategic choices of the defence of the entity that could be on a collision course with divergent strategies of the defence of the legal representative under investigation".

Green Horse Financial Advisory s.r.l., in providing for this possibility, regulates the possibility that a "trial representative" must be identified to proceed with the appointment of the Entity's legal counsel in court, identifying – as a precautionary measure – this figure within the company's Management, preferring in the choice alternatively one of the shareholders and, in the event of the involvement of the entire BoD, the Majority Shareholder who will proceed to make all decisions on the legal professional to be appointed and with whom he/she will evaluate the most appropriate defence strategy.

The Company is also aware of how, although the textual wording of the rule refers exclusively to the natural person-representative against whom the indictment has been ordered, the jurisprudence of legitimacy has clarified how said incompatibility must also be extended to the preliminary investigation phase, during the course of which it is not unusual for the aforementioned conflict of interest to be configured as a cause of exclusion, at least at trial level, from representing the entity.

SECTION II

THE MODEL OF

Green Horse Financial Advisory s.r.l.

1. Function of the Model

Green Horse Financial Advisory s.r.l. (hereinafter also: "Green Horse Financial Advisory s.r.l." or "Company" or "Entity"), is a company founded in 2022.

The Company consists of a team of professionals involved in financial advisory activities in the most innovative sectors, such as the green economy and energy transition. Through a multidisciplinary and vertical approach, it ensures innovative and tailored solutions to help clients navigate the global market and achieve their goals.

In its three main practice areas – M&A and Strategic Advisory, Dept Advisory and Investment Research – the Company advises on extraordinary finance transactions, promotes and coordinates the acquisition, sale, merger and demerger of companies and advises on financial restructuring processes for institutional investors, corporations and private investors.

The Green Horse Financial experienced team pursues ambition, sustainability, pragmatism, integrity, respect and, above all, excellence as its core values.

In light of this widespread compliance culture within Green Horse Financial Advisory s.r.l. and with the intention of also ensuring conditions of fairness and transparency in the conduct of business and corporate activities – in order to protect its position and image – the Company also decided to proceed with the implementation of its own Organisation, Management and Control Model pursuant to Legislative Decree No. 231/2001.

Therefore, this Organisation, Management and Control Model, approved by the Directors and adopted on the basis of the provisions contained in Articles 6 and 7 of the Decree, constitutes to all intents and purposes internal regulations of Green Horse Financial Advisory s.r.l.

This initiative was taken in the conviction that the adoption of the Model – beyond the provisions of the Decree, which indicate the Model itself as an optional and non-compulsory element – may constitute a valid tool to raise awareness among all those who work in the Company, so that they may follow, in the performance of their activities, correct and straightforward conduct, such as to prevent the risk of the offences contemplated in the Decree from being committed.

The provisions contained in this Model aim, through the identification of sensitive activities and the dissemination of procedures designed to prevent criminal conduct within the meaning of the Decree, at the affirmation and dissemination of a business culture marked by legality, as an indispensable prerequisite for lasting economic success.

Therefore, no unlawful conduct, even if carried out in the interest or to the advantage of the company, can

be considered in line with the policy adopted by the Company.

The Model is also aimed at disseminating a control culture, which must govern all the decision-making and operational phases of the company's activities, in full awareness of the risks arising from the possible commission of offences.

The attainment of the aforementioned goals takes the form of the adoption of appropriate measures to improve efficiency in the performance of business activities and to ensure constant compliance with the law and rules, identifying and eliminating risk situations in a timely manner.
In particular, the objective of an efficient and balanced organisation of the company, suitable for preventing the commission of offences, is pursued by intervening, mainly, on the processes of formation and implementation of the Company's decisions, on controls, both preventive and subsequent, as well as on information flows, both internal and external.

1.1. The Corporate Governance of Green Horse Financial Advisory S.r.l.

The Company has a traditional organisational structure. The Board of Directors consists of three members, the Chairman, the Vice Chairman and a Director, and plays a central role in the corporate governance system, deciding on transactions of major strategic, economic and financial importance.
The Board is vested with the broadest powers for ordinary and extraordinary management and has the authority to perform all acts – assigned by law – that it deems appropriate for the implementation and achievement of the corporate purposes.
The organisation of the Entity is represented in up-to-date organisation charts in which the company's areas of activity and functions are shown.
In order to ensure the constant possibility of cross-checks on operations, provision has been made for the same process/activity to be collaborated on by different functions and/or hierarchical levels.

1.2. Company policies and procedures

Green Horse Financial Advisory pursues the objective of providing all employees and collaborators with a clear frame of reference of the methods to be followed in carrying out the company's activities and the constraints to be adhered to.
In particular, the Company has planned an activity to proceduralise certain practices already established within the company in order to ensure, for example:

- the compliance of individual purchasing operations with budget forecasts, so as to ensure the use of

the Company's available funds for institutional purposes;

- a clear organisational separation between the functions in charge of purchasing and supplier selection and the function authorised to make payments;
- management of health and safety in the workplace in accordance with applicable legislation (Legislative Decree 81/2008);
- the logics of the computer systems used by the Company and the user security profiles for access and use by specially designated resources.

1.3. System of delegation and power of attorney

Within the framework of its organisational system, Green Horse Financial Advisory S.r.l. is gradually adopting a system of proxies and powers of attorney aimed at regulating the performance of corporate activities in an increasingly analytical manner and defining an organic set of operational constraints, consistent with the Company's organisation, as well as aimed at establishing a valid instrument in terms of internal control.

These constraints will be intended to be of a qualitative nature (each person will be allowed to exercise his or her conferred powers exclusively in the functional areas for which he or she is responsible) and quantitative nature (for example, the maximum amounts within which powers of attorney and delegation may be exercised will be specified).

1.4. Management of financial flows

The Company is also in the process of regulating with special procedures:

- the persons responsible, the modes of operation and the controls put in place to monitor the stages of the process;
- the traceability of the phases relating to the management of collections;
- the management of financial flows that do not form part of typical business processes and are extemporaneous and urgent;
- the way in which the documentation supporting the collection operations is archived.

It is forbidden to make or receive payments on encrypted accounts; similarly, it is not permitted to accept payments from persons holding current accounts registered in "tax havens" or in countries on the so-called "black" and "grey list", unless it is the state of residence or the State where the service was performed.

With regard to active financial flows, a second-level verification on the completeness of the documentation is foreseen before proceeding to electronic archiving.

2. Guidelines

Article 6(3) of Legislative Decree No. 231/2001 expressly provides that Organisation, Management and Control Models may be adopted on the basis of codes of conduct drafted by the associations representing Entities.

The Organisational Model of Green Horse Financial Advisory s.r.l. incorporates the relevant components of the control system outlined:

- in the "***Guidelines for the construction of organisation, management and control models pursuant to Legislative Decree No. 231/2001***", issued by **Confindustria** and updated to the version of June 2021;

In the definition of the Organisation, Management and Control Model, the Guidelines provide, *inter alia*, for the following design phases:

- ✓ the identification of risks, i.e. the analysis of the company context to highlight in which areas of activity and in what ways the offences provided for by Legislative Decree No. 231/2001 may occur;
- ✓ the preparation of a suitable control system to prevent the risks of offences, by means of Protocols, identified in the previous phase, through the evaluation of the control system existing within the Entity and its degree of adaptation to the requirements expressed by Legislative Decree No. 231/2001.

3. Relationship between the Model and the Code of Ethics

The Organisational Model drafted pursuant to Legislative Decree No. 231/01 identifies, following specific interviews and the analysis of company documents, the predicate offences that can be attributable, even potentially, to Green Horse Financial Advisory s.r.l.

The Code of Ethics, on the other hand, contains the principles of conduct and the basic ethical values by which the Entity is inspired in the pursuit of its objectives; these principles shall be respected by all the Addressees as well as by those who, for any reason, interact with the Entity as they must be considered an essential element of the preventive control system.

The Code of Ethics is an official document of the Entity that contains:

- rights;
- duties;
- responsibilities of the Entity towards "stakeholders" (employees, suppliers, customers, public authorities, etc.).

The Code of Ethics recommends, promotes or prohibits certain behaviours and imposes sanctions

proportionate to the seriousness of the infringement committed.

The Code of Ethics must also include principles to safeguard against the violation of accident prevention and environmental regulations.

The structure of this document imposes minimum contents in relation to:

Intentional offences

- the Entity operates on the essential principle of respecting laws and regulations and has the duty to:
  a) require each employee/consultant/supplier/customer to comply with laws and regulations;
  b) promote the dissemination of these laws and regulations;
  c) ensure an adequate training and awareness programme on the issues addressed by the Code of Ethics;
- the Entity ensures that every operation and transaction is recorded, authorised, verifiable, legitimate, consistent and appropriate, and in particular that:
  a) each operation must have a proper record;
  b) each operation must be subject to a verification process concerning the decision-making and authorisation system;
  c) each operation must be supported by documentation;
- the Entity in its dealings with public administrations does not allow that:
  a) illicit payments and/or provisions of benefits be made, both in Italy and abroad;
  b) offers of money or gifts be given to employees of public administrations, whatever their level within the public administration or their relatives, except in the case of symbolic gifts or gifts of modest value;
  c) the principles of self-regulatory codes established by the public administrations be violated;
  d) objects, services, and/or valuable benefits be accepted in exchange for obtaining more favourable treatment, regardless of the relationship with the public administration;
  e) actions be taken by the Entity's staff that could improperly influence the decisions of the public administration;
  f) the Entity be represented, in its relations with the public administrations, by an external consultant or a "third party" when this may, even potentially, create a situation of "conflict of interest";
  g) actions be taken to examine or propose employment and/or business opportunities for the

benefit of public administration employees in one's personal capacity;

h) any corporate promotional initiative be proposed to public administration employees;

i) actions be solicited or undertaken to gain access to information regarded by the public administrations as confidential;

j) a former public administration employee be hired.

Negligent offences

- the Entity must, through the Code, make known the principles and criteria on the basis of which decisions of all types and levels are made, by taking the following actions:
  a) eliminating and/or mitigating all risks, including potential ones;
  b) reassessing and monitoring all risks that cannot be eliminated;
  c) introducing risk mitigation measures;
  d) reducing risks at source;
  e) taking steps to significantly lower the danger coefficient;
  f) planning appropriate measures to improve safety levels with particular attention to so-called collective protection measures;
  g) issuing specific instructions to the addressees.

The Entity's Code of Ethics can also be proposed to crystallise and possibly implement:

a) any measures undertaken by the Entity to eliminate/reduce the negative impact of the economic activity on the environment;

b) the promotion of the values of training and sharing of ethical principles among all those working in the company;

c) the disciplinary system and sanction mechanisms.

It follows that the Code of Ethics is to be considered the essential foundation of the Model, since the provisions contained in the latter presuppose compliance with the provisions of the former, together forming a systematic body of internal rules aimed at disseminating a culture of ethics and corporate transparency.

The Code of Ethics, which is here referred to in full, is annexed to the Model and forms an integral part of it.

4. Inspiring principles of the Model

The preparation of this Model is inspired by the following fundamental principles:

- to provide for the attribution to the persons involved in the formation and implementation of the corporate will of powers and duties consistent with the organisational responsibilities assigned, by means of a clear and complete system of written delegations and/or powers of attorney, also with regard to spending powers, constantly updated and approved by the Shareholders' Meeting;
- to determine social and individual objectives that are realistic and consistent with the Addresses' actual possibilities;
- to establish that the Company's employees as well as external collaborators and consultants are chosen on the basis of requirements of competence and professionalism, in compliance with the provisions of the Code of Ethics, the Model, as well as in compliance with the reference regulations (Workers' Statute);
- to encourage the circulation of information flows, while respecting confidentiality, in order to identify any conduct that does not comply with the provisions of the Model. This information must be of particular relevance for the mapping of activities at risk (so-called sensitive activities), as an essential condition for adequate preventive organisation;
- to guarantee the transparency and traceability of every significant operation in the context of the activities at risk of the commission of the predicate offences and the consequent possibility of *ex post* verification of corporate conduct by means of genuine, unalterable, correctly filed and verifiable documents, prepared by clearly identifiable persons. In the use of IT equipment, to establish limitations in relation to specific company tasks;
- to ensure the constant training and updating of the Addressees on the provisions of the law relating to the performance of their duties, on the indications of the Code of Ethics as well as on the procedures identified in the Model or referring to it for any reason;
- to enable the dissemination within the company of rules of conduct, procedures and company policies that comply with the principles set out in the Model and the involvement of all levels of the company in their implementation;
- to verify the proper functioning of the Model in the field and periodically update it on the basis of indications from application experience;
- to firmly sanction any conduct of the Addressees that is beyond their duties or in breach of the protocols established by this Model.

5. Model structure

Following the Guidelines dictated by Confindustria, the Organisational Model of Green Horse Financial Advisory s.r.l. consists of a General Part and a Special Part.

The General Part describes the contents and impacts of the Decree, the principles and objectives of the Model, the tasks of the Supervisory Board and the provision of the disciplinary system.

The Special Part also consists of the organisational procedures drafted on the basis of the mapping of risk areas.

To the latter can be added the provision of Implementation Protocols, to be understood as the design of the control system existing within the Entity for the prevention of offences and its adaptation.

In no case may the provisions contained in company procedures justify non-compliance with the provisions of this Model.

6. Criteria for the adoption of the Model

The Model has incorporated all legislative changes introduced up to January 2024, taking into account all predicate offences provided for up to that date in the legislation.

The activity of preparing the Model was carried out through the following operational steps:

i. definition of the methodology for mapping activities at risk of offences;
ii. definition of the map of "sensitive" activities at risk of offences and identification of the relevant organisational risk mitigation measures.

The activity was carried out through the collection and analysis of the relevant documentation pursuant to Legislative Decree No. 231/2001 and relating to the organisational controls in force, and was subsequently verified, completed and shared through interviews with top management, in particular with the aim of:

- verifying the exhaustiveness of the list of sensitive activities;
- verifying the consistency of the control measures already in place (e.g. procedures, instructions, delegation systems, logical security elements, etc.) intended to discourage or prevent unlawful conduct;
- sharing the areas of improvement identified (as gaps with respect to existing controls) and the action plans proposed to overcome these gaps, to be implemented through the integration of existing regulations, or through the preparation of special *ad hoc* regulations.

6.1. Mapping of sensitive activities

With reference to the predicate offences provided for by the Decree and liable to give rise to the Company's administrative liability, those abstractly applicable to the Entity's reality have been identified.
Subsequently, the so-called "sensitive" activities and processes were identified for each category of offence.
In order to specifically and concretely identify areas of risk within the Company, an analysis of the corporate and organisational structure of Green Horse Financial Advisory s.r.l. was carried out, as reconstructed in the organizational chart.
This analysis was conducted using the Company's documentation, as well as all the information obtained during the interviews with the Board and the Area Managers.
All this allowed a thorough verification of the company processes involved from time to time and thus an identification among them of those likely to be considered "risk areas".

6.2. Risk analysis

For each risk area, an analysis was then carried out to highlight:

- activities at risk of offence;
- offences which could be envisaged;
- possible ways in which the latter can be committed;
- persons normally involved;
- degree of risk;
- existing control instruments;
- any improvement plans.

The result of this analysis highlighted the Company's susceptibility to the commission of the following predicate offences:

- offences against the public administrations;
- computer crimes and unlawful data processing;
- organised crime offences;
- handling stolen goods and money laundering;
- offences relating to non-cash payment instruments;
- involuntary manslaughter or serious or very serious negligent injuries committed in breach of occupational health and safety regulations;
- corporate offences;
- inducement not to make statements or to make false statements to the judicial authorities;

- tax offences;
- environmental offences.

However, the following were excluded from the detailed analysis:

- offences with the purpose of terrorism or subversion of the democratic order;
- practices of female genital mutilation;
- forgery of money;
- market abuse;
- offences against industry and trade;
- copyright infringement offences;
- offences against the individual personality;
- employment of illegally staying third-country nationals;
- racism and xenophobia;
- fraud in sporting competitions;
- smuggling offences;
- offences against cultural heritage.

The Directors, with the support of the Supervisory Board, have been assigned the task of ensuring the continuous updating of the mapping of sensitive activities and instrumental processes, to be carried out with particular attention at times of corporate change.

6.3. Risk assessment criterion

The Principle adopted for risk assessment follows the common line of the following formula:

R(isk) = P(robability) x D(amage)

considering assigning a value from 1 to 4 to the variables P and D; while the value 0 will only be assigned if there is no possibility of committing the offence.

In order to calculate the Probability of occurrence of the event (P) and the Damage that such an event may cause (D), with reference to the individual offences indicated in the special parts, the following criteria shall be followed:

Valori per calcolo probabilità	
1	1 - 25%
2	26 - 50%
3	51 - 75%
4	76 - 100%

Valori per calcolo danno	
Sanzione pecuniaria da 100 a 500 quote	1
Sanzione pecuniaria da 501 a 1000 quote	2
Sanzione interdittiva	2

Therefore, a score of 4 will be assigned for probability – by way of example only – if, with reference to the individual offence analysed, there is a probability of occurrence of between 76% and 100%. On the other hand, with regard to damage, a score of 4 will, for example, be assigned if the sanction for that particular offence will be both financial (with a maximum value of between 501 and 1000 quotas) and interdictive.

By combining the two values indicated, the following results can be obtained:

	PROBABILITA'				
DANNO	0	1	2	3	4
1					
2					
3					
4					

LEGENDA	
0	INESISTENTE
1 - 4	ACCETTABILE
5 - 8	MEDIO
9 - 16	ALTO

The assessment will be regarded as “positive” if the result obtained leads to at least “acceptable” risk, i.e. within the range of 1 to 4. The value “non-existent” will only be obtained if the probability of the offence occurring is 0. It should be noted that if the result is between 5 and 16, the Entity will have to take measures to mitigate this risk and bring it to an “acceptable” value.

In order to reduce this risk value, it should be clarified that the damage referred to the Entity in the event of the commission of the offence will be assessed by the competent Judicial Authority and, therefore, is not under the control of the Company, which cannot reduce it with corrective and/or preventive actions.
Conversely, with reference to probability, the corrective measures that the Entity may adopt in order to reduce the possibility of the event occurring are set out below.

Probability mitigation measures	
Code of Ethics + Organisational Model + Other regulatory documents (e.g. Risk-Assessment Document) = Regulatory Adjustment	1
Regulatory Adjustment + Organisation System (non-certified system - e.g. security delegations/procedure manual/organizational chart) = Organisational Adjustment	2
Organisational Adjustment + Certification/Appendix/DPO = Complex Adjustment	3

Depending on the R(isk) value obtained, measures will have to be taken in a different order of priority.

Consequently, starting from an offence that can potentially be committed by the Entity and having calculated its probability of occurrence, as well as the relevant damage – e.g. a probability of 4 and a damage of 4 – once a risk value of – for example – 16 (HIGH) has been obtained, in order to reduce this risk to an "acceptable" level, it will be necessary for the Entity to immediately undertake, at the very least, corrective measures, planning an intervention leading to the adoption of a measure to mitigate the probability at 3.
Example of residual risk assessment:

1. the "original" risk shall be calculated by multiplying the probability value (1 to 4) with the damage value (1 to 4);
2. if the value obtained corresponds to a medium or high level of risk, the Entity must adopt one of the measures indicated in the table above (e.g. complex adjustment);
3. the value of the mitigating measure shall be subtracted from the original value of the probability.

Therefore, if the original probability value and the risk value were both equal to 4, adopting the "complex adjustment measure" (value 3), this value shall be subtracted from the original value. This will result in a probability of occurrence of the event equal to 1, which multiplied by the damage (R = P X D) – which cannot be changed – leads to a residual risk equal to 4 and therefore "acceptable".

6.4. Definition of acceptable risk and determination of the degree of risk

A fundamental concept in the construction of an Organisational Model is acceptable risk. Indeed, for the

purposes of applying the rules of the Decree, it is important to define a threshold that allows a limit to be set on the quantity and quality of the preventive instruments to be introduced to inhibit the commission of the offence.

In fact, as reiterated by the Confindustria Guidelines of June 2021, risk is deemed acceptable when the additional controls "cost" more than the resource to be protected.

The risk is acceptable, in the case of intentional offences, when the effectiveness of the prevention system to prevent the commission of the offence is such that it can only be circumvented fraudulently (so-called fraudulent circumvention of the Model as an exemption)[7].

In negligent offences, the acceptable risk is represented by conducts in breach of the Organisational Prevention Model, despite the timely observance of supervisory obligations.

For each sensitive area, also taking into account the presence of processes instrumental to the commission of offences, the degree of risk that one of the conceivable offences might occur was assessed.

The risk assessment follows a scale of judgement (NON-EXISTENT, ACCEPTABLE, MEDIUM, HIGH) that has been specifically outlined for the assessment of the risk of commission of the offences provided for by Legislative Decree No. 231/2001 within the Entity's structure, combining the following assessment factors (see section 6.3 and relevant tables):

a) RISK: any variable or factor within the company that, alone or in correlation with other variables, may negatively affect the achievement of the objectives set out in Decree 231/01, also with specific reference to Article 6(1)(a)[8];
b) PROBABILITY: condition of a fact or event that is believed to be likely to happen, or that, among several possible facts and events, appears to be the one that can most reasonably be expected, even in the light of certain behaviours;
c) DAMAGE: the consequence of an action or event that causes the Entity's exposure to a challenge pursuant to Decree 231/01.

6.5. Risk identification and risk management process

The main steps for identifying risks in the 231/01 system must be as follows:

a) **Identification of potential risks**: identification of the areas or sectors of company activity in which events detrimental to the objectives set out in Legislative Decree 231/01 could occur, even

[7] see Penal Court of Cassation, Section V, No. 4667/2014;
[8] *"(a) the management body has adopted and effectively implemented, prior to the commission of the offence, organisational and management models capable of preventing offences of the kind committed";*

abstractly. Therefore, depending on the type of predicate offence, the activities, areas and sectors exposed to risk may be more or less extensive (under Legislative Decree 81/08, it will be mandatory to extend these protocols to all areas of interest);

b) **Design of control systems** (Protocols): i.e. the evaluation of the existing system within the Entity for the prevention of offences, to be understood as the set of measures aimed at effectively countering the identified risks by reducing them to an acceptable risk. The Protocol shall reduce the probability of occurrence of the event and the impact of the event. The maintenance of these safety standards must be ensured with a specific periodicity.

6.6. Operational risk management mode

Risk management intervenes through the following operational methods:

a) **Inventory of the company's areas of activity**, which takes the form of carrying out a periodic review of the company's reality with the aim of identifying the areas that are affected, even potentially, by the risk of a predicate offence being committed. In concrete terms, it is a matter of identifying the relevant offences for the Entity and the areas which, by reason of the nature and characteristics of the activities actually carried out, are affected by possible risks, e.g. for offences against the public administrations, it will be necessary to identify the areas that by their nature have direct or indirect relations with the public administrations, or to identify processes that may be instrumental;

b) **Analysis of potential risks**: the analysis of potential risks must concern possible offences in the various corporate areas;

c) **Assessment, construction and adaptation of preventive control systems**: the activities referred to in the preceding points are completed with the establishment of the preventive control system, if any, and with its continuous updating. In essence, this involves designing protocols aimed at planning the formation and implementation of the Entity's decisions in relation to the offences to be prevented. These take the form of three different levels of verification:

   1) **First level of control** (so-called self-control) proper to operational processes and are carried out by internal resources in a self-control mechanism;
   2) **Second level of control** carried out by technical structures independent of those at the first level (e.g. prevention and protection service manager for safety);
   3) **Third level of control**, for large structured companies, carried out, for example, by internal audit or external control bodies, which provide independent assessments and improvement

plans defined in agreement with management.

6.7. Preventive control systems for intentional offences

In order to counter fraudulent activity carried out to circumvent the Organisational Models, the following measures are taken for intentional offences:

a) adoption of a Code of Ethics and/or Code of Conduct;
b) structured organisational system consisting of a specific organisational chart with allocation of responsibilities, hierarchical reporting and description of tasks;
c) manual and computerised procedures: these regulate the performance of activities, the segregation of duties, the control of procedures and the implementation of initiatives, including joint signature;
d) formalisation of powers of authorisation and signature;
e) implementation of useful initiatives for staff training and awareness-raising;
f) integrated control systems: procedural system combined with Protocols 231.

6.8. Preventive control systems for negligent offences

In order to counter fraudulent activity carried out to circumvent the Organisational Models, the following measures are taken for negligent offences:

a) adoption of a Code of Ethics and/or Code of Conduct;
b) structured organisational system consisting of a specific organisational chart with allocation of responsibilities, hierarchical reporting and description of tasks, including delegations 81/08 and environment;
c) implementation of useful initiatives for staff training and awareness-raising;
d) circularisation of communications;
e) operational management to refer to strict policies for the search, selection and recruitment of personnel;
f) monitoring system: time scheduling of verifications and arrangements for reporting any discrepancies.

7. Adoption, amendments and additions to the Model

The Directors have exclusive competence to adopt, amend and supplement the Model.

In exercising this function, they are assisted by the Supervisory Board, within the scope of the powers conferred on it pursuant to Article 6(1)(b) and Article 7(4)(a) of the Decree, acting also on the reports of

all the Addressees as well as the Area Managers, who have the power to make proposals to the Directors concerning the updating and adjustment of this Model and have the duty to report in writing, but without delay, facts, circumstances or organisational deficiencies encountered in their supervisory activities that highlight the need or opportunity to amend or supplement the Model. In particular, the SB performs the necessary updating, in a dynamic sense, of the Model by implementing suggestions and proposals for adaptation to the corporate bodies/departments involved, carrying out a useful follow-up to assess the effectiveness of the proposed solutions[9].

The Supervisory Board is obliged, at least every six months, to highlight these observations in the annual report referred to in this Model to the Directors, ensuring an effective flow of communication to and from the management.

In any case, the Model must be promptly amended or supplemented by the Directors, also upon proposal and, in any case, after consultation with the Supervisory Board, upon occurrence of the following circumstances:

- violations or circumventions of the provisions of the Model that have demonstrated its ineffectiveness or inconsistency for the purposes of preventing the predicate offences;
- significant changes in the internal structure of the Company and the way in which it conducts its business activities;
- regulatory changes;
- whenever deficiencies are identified or the administrators perceive a need for additions or changes.

The operating procedures adopted to implement this Model shall be amended on the proposal of the competent Area Managers, subject to the non-binding opinion of the SB, by the Directors, if they prove ineffective for the purposes of proper implementation of the provisions of the Model. The competent Area Managers may also express opinions on changes or additions to the operating procedures necessary to implement any revisions of this Model.

Amendments, updates or additions to the Model shall always be communicated to the Supervisory Board.

8. Organisational structure

For the purposes of implementing the Model, the organisational structure of the Company is of fundamental importance, on the basis of which the fundamental organisational structures, their respective areas of competence and the main responsibilities assigned to them are identified. In this regard, please refer to the

[9] see page 76 of Confindustria Guidelines of June 2021

description of the current organisational structure contained in the Organisational Chart of Green Horse Financial Advisory s.r.l. and in the most recent certificate of incorporation.

9. Addressees of the Model

The rules contained in the Model and in the Code of Ethics apply first and foremost, to those who perform functions of representation, administration or management of the Company or of one of its organisational units with financial and functional autonomy, as well as to those who exercise, also *de facto*, the management and control of the Company.

The contents of the Model and the Code of Ethics also apply to all employees of the Company.

To this end, within the Company in question, the Area Managers as well as those who perform, even *de facto*, such functions, having consulted the directors if necessary, shall preliminarily determine the types of legal relations with persons outside the Company, to whom it is appropriate to apply the provisions of the Model and the Code of Ethics, due to the nature of the activity performed. Similarly, the methods of communication, if any, of the Model and the Code of Ethics to external stakeholders and the procedures necessary for compliance with the provisions contained therein are also determined in order to ensure their effective knowledge by all stakeholders.

The Addressees are required to comply with all the provisions and protocols contained therein, as well as all the procedures for their implementation, with the utmost fairness and diligence.

9.1 Special Addressees

The provisions contained in the Model and in the Code of Ethics are also applicable to those who collaborate with the Company in different ways, including from outside, as well as, within the limits of the existing relationship, to those who, although not belonging to the Company, operate by mandate or on behalf of the same or are in any case linked to the Company by legal relationships relevant to the prevention of the predicate offences.

Third party addressees therefore undertake to refrain from any conduct that might constitute the types of offences contemplated by the Legislative Decree 231/01, as well as to comply with the measures defined by the Company.

The Company shall include in the relevant negotiation agreements specific clauses aimed at providing for the application of measures in the event of violation of the Model, such as, for example, the warning to precisely comply with the Model, the application of a conventionally established sanction or the immediate termination of the relationship with the Company.

10.Supervisory Board

10.1 Composition

The law does not provide precise indications as to the composition of the SB, leaving ample room for the Entity to choose between a monocratic or collegial body, preferring for small companies a monocratic composition that may also include a top management member, while for medium to large companies a collegial composition is preferred, excluding top management.

It will be forbidden to assign any member of the SB, even internal, with tasks of a purely operational nature. Such an assignment would, in fact, irreparably affect the autonomy and independence of the members of the SB itself. In fact, involving even a single member in decisions concerning the Entity's activities could jeopardise the latter's serenity of judgement and hence of the SB at the time of audits.

10.2 Tasks, requirements and powers

10.2.1 Tasks

The tasks of the SB are regulated by Articles 6 and 7 of Legislative Decree No. 231/01 and are summarised in:

- supervision of the effectiveness of the Model;
- examination of the adequacy of the Model;
- analysis of the maintenance of the solidity and functionality requirements of the Model over time;
- dynamic updating of the Model (suggestions, proposals and follow-up).

10.2.2 Requirements

The requirements of the SB are, among others:

- **specialised connotation**. The SB must have a specialised, predominantly supervisory connotation and requires knowledge of *ad hoc* techniques and tools. This indication is also taken up in the Accompanying Report to Decree 231/01;
- **autonomy**, as governed by Article 6(1)(b) of Legislative Decree 231/01[10] and **independence**, according to which the SB may never assume operational tasks[11].

  The SB enjoys autonomy and independence from the corporate bodies against which it exercises control activities. The term of office is generally three years, and in any case the SB may be re-elected; it is required to inform the corporate bodies of its activities, periodically and promptly of

[10] See Milan Investigation Judge, ordinance 20.09.2004
[11] See Rome Investigation Judge, 4.04.03

any particularly significant events.

The activities carried out by the SB cannot be reviewed by any corporate function, body or structure. However, the management body retains the power-duty to supervise the adequacy of the work of the SB and, in particular, to ensure the regular updating and implementation of the Model.

The expression of the autonomy of the SB also takes the form of the allocation to it of an expenditure budget, of an economic recognition to each member for the activities performed and the responsibilities assumed, as well as the endowment of the Body with its own Regulations;

- **professionalism**: this refers to the cultural and technical background of the member, which is also reflected in the member's curriculum and the specification, included in the Model, that each member has expertise in inspection and advisory activities, as well as technical knowledge useful to the effective power of control[12]. It is also desirable that at least one member of the body has legal expertise "... and, more particularly, criminal legal expertise"[13].

  The SB – in possession of specific technical and professional skills – may avail itself of the technical support of persons internal or external to the Company, in compliance with the expenditure and budget autonomy conferred on it for the purpose of a more effective and better performance of the tasks and functions assigned;
- **continuity of action:** through its work, the SB must guarantee constant control over sensitive activities and monitoring of the Model, so as to ensure timely amendments to the Model whenever it is necessary to update it to the latest regulatory changes or changes in the corporate scenario.

10.2.3 Powers

The powers of the SB are, among others:

- checking the effectiveness of the Model, conducting reviews of the corporate activities for the purpose of assessing the updating of the mapping of processes and areas of activity at potential risk 231 and verifying the adequacy of the organisational solutions adopted to implement the Model (definition of standard clauses, staff training, disciplinary measures, etc.), also by availing itself of the competent corporate units/structures;
- supervision of the same and related procedures:
  - stimulating the promotion of suitable initiatives for the dissemination of knowledge and understanding of the principles of the Model;

[12] See Court of Naples, 26.6.2007
[13] See page 79 of Confindustria Guidelines, third paragraph.

- collecting, processing and storing information relevant to compliance with the Model, and periodically updating the list of information that must be transmitted to the SB or made available to it;
- in any case, carrying out periodic internal audits on the operations carried out in the context of sensitive activities or activities not yet fully compliant with the control principles;
- conducting internal investigations, also with the support of external professionals, to ascertain alleged violations of the provisions of the Model;

- formulating proposals to management for model updates;
- reports to the management body, as provided for in section 11.3.2 below;
- preparation of a specific six-monthly information report, as provided for in section 11.3.2 below;
- preparation of an audit plan, as provided for in section 11.3.2 below.

The activities carried out by the SB cannot be reviewed by any other corporate body or structure, it being understood that the Board of Directors is ultimately responsible for the functioning and effectiveness of the Model.
Taking into account the peculiarities and responsibilities attributed to the Supervisory Board and the specific professional contents required by them, in the performance of the tasks of supervision, control and support to the adaptation of the Model, the Supervisory Board may also avail itself of the possible support of external professionals identified from time to time.
In the performance of its supervisory and control activities, the SB, without the need for any prior authorisation, shall have free access to all the structures and offices of the Company and shall be able to interact with any person operating in the aforesaid structures and offices, in order to obtain any information or document it deems relevant.
Corporate units/structures are required to cooperate actively with the SB, making available what is required.
Finally, in order to perform its functions, the Supervisory Board is granted autonomous spending powers, which provide for the use of adequate resources to perform its functions.
The SB reports on the expenses incurred in its periodic reports to the Board of Directors.
The Supervisory Board ensures the utmost confidentiality with regard to any news, information, reports, under penalty of revocation of its mandate, without prejudice to the requirements inherent to the conduct of investigations in the event that the support of professionals external to the SB or other corporate structures is required.
The performance of the activities of the SB, their reporting, as well as the traceability of the activities carried out are governed by specific regulations adopted by the SB itself.
All information, notifications, reports and other documents collected and/or prepared in application of this Model are kept by the SB in a special archive (computerised and/or on paper), managed by the SB for a period of at least

10 years.

In managing such information, alerts, reports and other documents, the SB operates within the corporate organisation – where Green Horse Financial Advisory S.r.l. is the controller of personal data in accordance with Articles 4 and 24 of the General Data Protection Regulation (EU) 2016/679 – and conforms its actions to the current Privacy Law.

10.3 Information flows to and from the Supervisory Board

10.3.1 Reporting obligations towards the SB

The obligation to inform the SB is a further supervisory tool to ascertain the causes that made it possible for the offence to occur.

All the Addressees of the Model, in compliance with the duties of diligence and obligations of loyalty laid down by law (Articles 2104 and 2105 of the Civil Code), shall communicate to the Supervisory Board any useful information to facilitate the performance of verifications on the proper implementation of the Model.

In particular, when any Area Manager finds areas for improvement in the definition or application of the prevention protocols defined in this Model, he/she shall draft, send and promptly transmit to the Supervisory Board a "note" (e.g. report, e-mail, checklist, etc.) with the following content as a minimum:

- a description, also in summary form, of the state of implementation of the prevention protocols of the risk activities under his/her responsibility;
- a description, also in summary form, of the verification activities carried out on the implementation of the prevention protocols and of the effectiveness improvement actions undertaken;
- an indication, also in summary form, of any need for amendments to the prevention protocols and the relevant implementation procedures;
- any further contents, as may be expressly requested by the SB from time to time.

In particular, the obligation to provide information to the SB concerns all the corporate Functions, as specified in the Appendix, which may communicate:

- periodical reports summarising the control activities carried out;
- summary sheets;
- technical reports;
- specific evaluations;
- any other document identifying anomalies and atypicalities encountered in the course of his/her work.

Therefore, the Area Managers, as members of the Management, must communicate the results of the verifications already carried out and not merely transmit information. The information flows organised in this way allow Management to exercise control action, while the SB (as an assurance mechanism) can only evaluate the findings of the controls performed.

The SB will also be the recipient of all periodic reports on safety at work and the environment. The obligation to provide information to the SB is also aimed at maintaining an adequate level of authority for requests for documentation that become necessary for the SB in the course of its audits. In implementation of the US Federal Sentencing Guidelines and the relevant Compliance Programmes, the duty to inform shall also be extended to employees who come into possession of information relating to the violation of the Organisational Model.

Information directed to the SB may concern:

- the issuing and updating of organisational documents;
- changes in the responsibility of the functions involved in risk activities;
- the system of company delegations and powers of attorney and any updates thereto (if provided for or identified);
- the main elements of operations of an extraordinary nature initiated and concluded;
- operations that are in any case significant within the risk areas, also in the light of the indications provided in the Special Part;
- all useful indications to evaluate the implementation of the safety system (e.g. including accident analysis and risk assessment) and environment;
- reports prepared by Area Managers and Process Managers, as part of their verification activities, from which facts, acts, events or omissions with critical profiles may emerge with respect to compliance with the provisions of the Decree or the provisions of the Model and the Code of Ethics;
- disciplinary proceedings initiated for violations of the Model, or for serious incidents committed by the employee to the detriment of the company;
- any request for legal assistance made by managers/employees against whom the judiciary proceeds in connection with 231/01;
- decisions relating to the application for and use of public funding;
- any communication from the judicial police or the Authorities;
- the establishment of internal Committees of enquiry to counter 231/01 liability hypotheses;

- verification of orders acquired from Public Entities or public utilities;
- information on the performance of corporate activities as duly defined in the procedures for implementing the protocols provided for in the Special Parts of the Model;
- any information of any kind that may be useful for the exercise of supervisory activities.

It is understood that Area Managers, who forward the communication for their specific area – in the event of a negative judgement by the SB – must refrain from any judgement or consideration in order to avoid situations of incompatibility, even potential. The information provided to the SB, in fact, is intended to enable it to improve its planning and controls, leaving it to its discretion to determine in which cases to take action.

It is added that the reporting system will be effective as the principle of confidentiality of communications is guaranteed.

All employees and members of the corporate bodies of the Company are obliged to promptly report the commission or alleged commission of offences under the Decree of which they become aware, as well as any violation or alleged violation of the Code of Ethics, the Model or the procedures established to implement it of which they become aware. All employees and members of the corporate bodies of the Company may ask the SB for clarification on the correct interpretation and application of this Model, the prevention protocols, the relevant implementation procedures and the Company's Code of Ethics.

Collaborators and all persons external to the Company are obliged, in the context of the activity carried out for the Company, to promptly and directly report to the SB the violations referred to in the preceding point; this obligation must be specified in the contracts that bind such persons to the Company, or disseminated by means of suitable operating instructions.

In order to allow timely compliance with the provisions set out in this paragraph, a dedicated mailbox shall be set up and communicated to all addressees of the Model, i.e. the possibility of entering communications into physical mailboxes present in the company, dedicated to communications to the Supervisory Board by employees, members of the Company bodies and external collaborators. Reports may also be communicated orally or transmitted by internal mail to the SB by the Addressees.
Every report, also in compliance with the whistleblowing legislation, must be guaranteed by the respect of

the principle of confidentiality.

With regard to the handling of anonymous reports, by analogy with the new whistleblowing protocols, anonymous reports will only be taken into account if they relate to detailed facts and/or are accompanied by specific documentation.

If oral reports are not communicated directly to the SB, the Area Manager draft a minute of the interview, with the assistance of a member of the SB. In any case, the Area Managers, even severally, shall promptly inform the members of the SB of any communication of which they are the recipients, concerning the Organisational Model or the application of the Decree.

10.3.2 Reporting to corporate bodies

The SB defines and draft, at the beginning of the financial year and at least once a year, a work plan relating to the individual inspection activities, which is supplemented by the documentation certifying the outcome of the audits conducted. It reports to the Directors unless otherwise provided for in this Model.

The SB, unless there are special requirements of confidentiality and privacy for the performance of its functions, shall promptly inform the Directors of significant circumstances and facts of its office or of any urgent critical aspects of the Model that have emerged in the course of its supervisory activities or that have been reported by Area Managers.

The SB prepares a written report for the Directors at least every six months. This report must contain at least the following information:

a) a summary of the activities carried out during the year by the SB;
b) a description of any problems that have arisen concerning the operational procedures for implementing the provisions of the Model;
c) a description of any new crime-risk activities identified;
d) the summary, in observance of confidentiality, of the reports received from internal and external persons, including what has been directly encountered, concerning alleged violations of the provisions of this Model, of the prevention protocols and of the relevant implementation procedures, as well as the violation of the provisions of the Code of Ethics, and the outcome of the consequent verifications carried out;
e) information on the possible commission of predicate offences;

f) the disciplinary measures and sanctions that may be applied by the Company, with reference to violations of the provisions of this Model, the prevention protocols and the relevant implementation procedures as well as the Code of Ethics;
g) an overall assessment of the functioning and effectiveness of the Model with any proposals for additions, corrections or amendments;
h) the reporting of any changes in the regulatory framework or significant changes in the internal structure of the Company or in the way business activities are carried out that require an update of the Model;
i) the reporting of any conflict of interest situation, even potential;
j) a statement of expenses incurred.

This report must be properly stored and preserved, in order also to avoid access by persons outside the SB and the Board.
The Directors are entitled to convene the SB at any time to inform them of the activities of the office. Similarly, the Supervisory Board may request the convening of Directors and other Control Bodies.

10.4 The SB in the Entity Green Horse Financial Advisory s.r.l.

On account of its corporate structure, Green Horse Financial Advisory s.r.l. decided to set up an external monocratic Supervisory Board.
The SB is appointed by the Directors, by means of a reasoned order acknowledging the existence of the requirements of professionalism, autonomy and independence.
It is essential that the choice of the members of the SB, by the Directors, is made by verifying the possession of specific professional skills, thus not limited to the mere assessment of the CV but verifying, in concrete terms, that the candidate members have skills in *"inspection, consultancy, or knowledge of specific technical skills suitable to guarantee the effectiveness of the control powers and the power to make proposals entrusted to them"*.
The Directors examine the information provided by candidates for appointment to the SB, or otherwise available to the Company, in order to assess whether they actually meet the necessary requirements.
Upon accepting the office, the member of the SB, having read the Model and formally adhered to the Code of Ethics, undertakes to perform the functions assigned to it, guaranteeing the necessary continuity of action, independence and autonomy, and to immediately inform the Directors of any event that may affect the continuation of the above-mentioned requirements.

Following the appointment of the SB, the Directors periodically verify that its members continue to meet the subjective requirements.

In the event of forfeiture, death, resignation or revocation, the Directors shall promptly replace the member whose membership has ceased.

In order to guarantee its full autonomy and independence, the SB remains in office for a period of one year with the possibility of extension, unless otherwise decided by the Administrative Body or the Shareholders' Meeting.

The SB may make use of a "Permanent Invitee" to act as Secretary.

The SB prepares its own Regulations, which set out the rules for its own operation and how information flows are to be managed.

The SB must guarantee at least every six months a flow of information, by means of an appropriate report, to the Management.

The SB has autonomous powers of initiative, control and expenditure on the basis of an annual expenditure budget, approved by the Directors, on the proposal of the SB itself. It drafts an annual expenditure plan for the activities to be carried out in the following year, to be submitted to the Directors by the first quarter of each year.

In any case, the SB may request an addition to the funds allocated if they are insufficient for the effective performance of its duties and, on its own initiative, may extend its spending autonomy in the presence of exceptional or urgent situations, which must be the subject of a subsequent report to the Directors.

10.5 Grounds for ineligibility or forfeiture

The members of the SB are chosen from among qualified and experienced persons, also from outside the Company.

The following constitute grounds for ineligibility and/or forfeiture of the members of the SB:

- disqualification, incapacitation, bankruptcy or, in any case, a criminal conviction, even if not final, for one of the offences set out in the Decree or, in any case, to one of the sanctions set out in Article 2 of the Ministerial Decree No. 162 of 30 March 2000, or imposing the disqualification, even temporary, from public office or the inability to hold executive office;
- the existence of relations of consanguinity, marriage or affinity within the fourth degree with members of the Board of Directors or the Board of Statutory Auditors of the Company, as well as with the same members of the parent companies and/or any affiliates or with external auditors;
- without prejudice to any employment relationship, the existence of relationships of a patrimonial nature

between the members and the Company or its parent companies or affiliates, such as to compromise the independence of the members.

Should a cause for forfeiture arise during the term of office, the member concerned must immediately inform the other members of the SB and the Board of Directors. The eligibility requirements and/or cases of forfeiture are also extended to the company resources directly used by the SB in the performance of its duties.

It is understood that it is not possible to assign operational tasks to the members of the SB that could affect the serenity of an overall assessment judgement; therefore, the following persons must be considered ineligible:

- Staff and organisation;
- Legal;
- Administration and management control;
- Prevention and protection services;
- Environmental delegate.

10.6 Revocation

Any revocation of a member of the SB can only take place for just cause, by resolution of the Board. Just cause means gross negligence in the performance of the duties associated with the assignment, such as, *inter alia*:

- failure to prepare six-monthly activity reports to the Directors;
- failure to draft the SB's Audit Plan (provided for by the SB itself in compliance with the provisions of this Model);
- failure to verify reports by the Addressees concerning the commission or alleged commission of offences under the Decree, as well as the violation or alleged violation of the Code of Ethics, the Model or the procedures established to implement it;
- assignment of operational functions and responsibilities within the corporate organisation that are incompatible with the requirements of autonomy, independence and continuity of action of the SB.

11. Whistleblowing system

On 29 December 2017, Law No. 179 on "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship" came into force, with the aim of encouraging the collaboration of employees to foster the

emergence of unlawful phenomena within public and private Entities. As a result of the regulatory provision, companies with a Model 231 started to regulate:

- the modalities for making whistleblowing reports;
- the way they are managed.

Today, the discipline has undergone an important change following the transposition in Italy, through Legislative Decree No. of 10 March 2023, No. 24, Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019.

The transposition decree regulates, in even more detail, the protection of individuals who report violations of national or EU regulatory provisions that harm the public interest or the integrity of the public administration or private entities, of which they have become aware in a public or private employment context.

The rule now draws a distinction between the activation of internal reporting channels (the management of which may be entrusted to a dedicated autonomous internal person or office with specifically trained staff or to an external, also autonomous, person) or external reporting channels (with the involvement of ANAC), emphasising the importance of guaranteeing the confidentiality of the identity of the reporting person, the person involved and the person mentioned in the report, as well as the content of the report and the related communication.

The focus of the decree is the prohibition of retaliation against the Whistleblower and the provision of sanctions – differently graduated and applicable by ANAC – for three different scenarios:

- when retaliation is ascertained, or when it is established that the report was obstructed or an attempt was made to obstruct it or, again, that the obligation of confidentiality was breached (sanction from Euro 10,000 to Euro 50,000);
- when it is established that no reporting channels have been established and no procedures have been adopted for making and handling reports (sanction from Euro 10,000 to Euro 50,000);
- when the Whistleblower is found to be criminally liable for the offences of defamation or slander (sanction from Euro 500 to Euro 2,500).

In view of the entry into force of the provision during the current year, the Company has adapted its internal reporting channels – IT platform combined with written correspondence – to make them compliant with the existing provision.

Lastly, adaptation also took place from the point of view of the GDPR with the provision of information for whistleblowers, and the drafting of appointments for the platform manager. Please refer to the procedure

adopted by the Company, published on the company website, which explains how Whistleblowing is handled.

11.1. Sanctions related to the Whistleblowing procedure

This Model, in compliance with the new rules, establishes the prohibition of any discriminatory act against Whistleblowers.

In addition to the sanctions that the supervisory authority ANAC may impose, reference is made to the disciplinary system provided for the national collective bargaining agreement (*CCNL*) of Green Horse Financial for the applicability of sanctions against those who make unfounded reports with gross negligence or wilful misconduct.

Moreover, we reiterate not only what is provided for in the new legislation on Whistleblowing, but also what is set out in Article 2(2 quater), of Legislative Decree No. 231/01 concerning the express nullity of retaliatory and discriminatory measures, which must in any case be punished *ex lege*.

Below is a non-exhaustive list of retaliatory acts:

- dismissal, suspension or equivalent measures;
- downgrading or non-promotion;
- change of duties, change of workplace, reduction of salary, change of working hours;
- suspension of training;
- notes of merit or negative references;
- the imposition or administration of disciplinary measures, reprimand or other sanction, including a fine;
- coercion, intimidation, harassment or ostracism;
- discrimination, disadvantageous or unfair treatment;
- failure to convert a fixed-term employment contract into a permanent employment contract where the employee had legitimate expectations of being offered permanent employment;
- non-renewal or early termination of a fixed-term employment contract;
- damage, including to the person's reputation, particularly on social media, or financial loss, including loss of economic opportunities and loss of income;
- blacklisting on the basis of a formal or informal sectoral or industry agreement, which may result in the person being unable to find employment in the sector or industry in the future;
- early termination or cancellation of the contract for goods or services;
- cancellation of a licence or permit;

alleged retaliation, even if only attempted or threatened, must be reported exclusively to ANAC, the authority entrusted with the task of ascertaining whether it is a consequence of the report. Where the person proves that he or she has made a report and has suffered retaliation because of it, the burden of proof is on the person who carried out such conduct and retaliatory acts.

12. The disciplinary system

12.1 General principles for violation of the Model and the Code of Ethics

Article 6(2)(e) of the Decree states that: "*... in relation to the extent of the delegated powers and the risk of offences being committed, the models referred to in letter (a) of paragraph 1 must respond, ...* ***to the need to introduce a disciplinary system capable*** *of sanctioning non-compliance with the measures indicated in the model".*

The assumption of an *ad hoc* disciplinary system constitutes an essential and necessary requirement for the validity of organisational models, which, in the absence of such a sanction system, could not be considered validly adopted and therefore effective, as reaffirmed by a now consolidated jurisprudential orientation.

The prevailing function, among others, of the disciplinary system is to:

- make the Organisational Model effective and operational;
- support the control actions put in place by the Supervisory Board 231.

The disciplinary system, in its structure, must:

- apply to penalise the offender of the rules and Protocols of the Model and the Code of Ethics, regardless of whether the contested violation resulted from the commission of an offence;
- be written and adequately disclosed, as an essential part of the Organisational Model and the Code of Ethics;
- be compatible with existing regulations and contractual arrangements;
- be characterised by appropriate and effective measures.

The disciplinary system must also be recognised as having a preventive function as well as a punitive scope. As regards the "punitiveness" of the disciplinary system, it should be pointed out that it must impose a "graduation" of the applicable sanctions, in relation to the different degree of dangerousness that conduct may present with respect to the commission of offences.

A "disciplinary system" has therefore been created in that section and, more generally, in the Organisational

Model and in the Code of Ethics, which, first and foremost, penalises all breaches of the Model and of the Code of Ethics itself – to which reference is made in the reference section – from the most serious to the most minor, by means of a system of gradual sanctions that respects the principle of proportionality between the "breach detected" and the "sanction imposed".

The application of the disciplinary system and the relevant sanctions is independent of the conduct and outcome of the criminal proceedings that the judicial authorities may have initiated, in the event that the conduct to be censured also constitutes a relevant offence under Legislative Decree No. 231/2001.

In concrete terms, the disciplinary system, which is an integral part of the Model of Green Horse Financial Advisory, is addressed to employees, managers, directors, auditors, consultants and collaborators who, for various reasons, provide services in favour of the Entity, envisaging appropriate disciplinary sanctions that comply with the above-mentioned principles and that may also be pecuniary in nature.

It should also be noted that the violation of the rules of conduct set out in the Model, by employees of the Entity and/or its managers, constitutes a breach of the obligations arising from the employment relationship, pursuant to Articles 2104 and 2106 of the Civil Code. More specifically:

Article 2104 - Diligence of the employee:

1. The employee must use the diligence required by the nature of the work to be performed, the interest of the company and the higher interest of national production.
2. In addition, he/she shall observe the instructions for the performance and discipline of work given by the employer and his/her co-workers on whom he/she is hierarchically dependent.

Article 2106 - Disciplinary sanctions

1. Failure to comply with the provisions contained in the two preceding articles may result in the application of disciplinary sanctions, depending on the seriousness of the infringement and in accordance with the rules in force.

12.2 Violation of the Model and the Code of Ethics

By way of example only, but by no means exhaustively, the following are some of the behaviours that could be subject to censure:

- carry out actions or conduct, or omissions, that do not comply with the provisions of Model 231, its Protocols and Appendices/Annexes, including the Code of Ethics, which compose it;
- carry out actions or conduct, or omissions, that do not comply with the provisions of the Code of Ethics and its Appendices/Annexes;
- favour the incomplete or untruthful drafting of the documents provided for in this Model, in the

Prevention Protocols and in the relevant implementation procedures, and in the details of the Code of Ethics;

- facilitate incomplete and untruthful drafting by third parties of the documents required by this Model, the Prevention Protocols and their implementation procedures, as well as the details of the Code of Ethics;
- fail to draft the documentation required by this Model, the Prevention Protocols and the implementation procedures and the Code of Ethics;
- violation or circumvention of the control system provided for by the Model or the Code of Ethics, in any way carried out, such as, for example, through the removal, destruction or alteration of documentation relating to the procedure, obstructing controls, preventing access to information and documentation vis-à-vis the persons in charge of controlling procedures and decisions;
- fail to observe and thus comply with the obligations to inform the Supervisory Board on issues and topics that, among others:
    - expose the Entity to an objective risk of one of the offences covered by Legislative Decree No. 231 of 2001 being committed;
    - unequivocally detect the commission of one or more offences covered by Legislative Decree No. 231 of 2001;
    - lead to the application, against the Company, of sanctions provided for in Legislative Decree No. 231 of 2001;
    - violation or circumvention of the control system provided for by the Model, in any way carried out, such as, for example, through the removal, destruction or alteration of documentation relating to the procedure, obstructing controls, preventing access to information and documentation vis-à-vis the persons in charge of controlling procedures and decisions;
    - in whistleblowing, among others:
        - the implementation of actions or conduct in breach of the measures put in place to protect the so-called whistleblower;
        - retaliatory or discriminatory acts, whether direct or indirect, against the whistleblower for reasons directly or indirectly linked to the report;
        - making, even in bad faith or with gross negligence, reports that turn out to be unfounded.

It should also be noted that the failure to comply – in the performance of the so-called "Sensitive Activities"

– with the reference corporate tools in which the control measures set out in Model 231 are incorporated, as well as the violation of the principles set out in the Code of Ethics, constitutes a violation of the Organisational Model.

In addition to the conduct summarised above, it is worth noting how the disciplinary system identifies breaches of the principles, conduct and checkpoints contained in the Model and in the Code of Ethics, and identifies the sanctions provided for employees in accordance with the law and/or national collective bargaining agreements (*CCNL*) in force, as set out below. The disciplinary system is, in any case, binding on all employees and, pursuant to Article 7(I) of Law 300/1970, must be available to all "by posting in an accessible place".

The establishment of breaches, disciplinary proceedings and the imposition of sanctions remain the responsibility of the Directors.

The Entity is prohibited from realising any retaliatory or discriminatory act, whether direct or indirect, against whistleblowers.

The adoption and concrete application of discriminatory measures against whistleblowers may be reported both to the National Labour Inspectorate, for measures within its competence, and, by the whistleblower, to the trade union organisation.

Retaliatory and/or discriminatory dismissal of the whistleblower is null and void. Likewise, any change of job or any other retaliatory or discriminatory measure taken against the whistleblower shall be null and void. It is the sole responsibility of the employer, in the event of disputes relating to the imposition of disciplinary sanctions, or to demotions, dismissals, transfers, or subordination of the whistleblower, following the submission of the report, to prove that such measures are based on reasons unrelated to the report itself.

Not only that, the application of disciplinary sanctions is independent of the outcome of any criminal proceedings, since the rules of conduct and internal procedures are binding on the addressees, regardless of whether an offence has actually been committed as a consequence of the conduct.

12.3 Violation of the Model and the Code of Ethics – disciplinary system

Disciplinary measures are inflicted in accordance with the provisions of Article 7 of Law No. 300/1970, known as the "Workers' Statute" and subsequent amendments and additions, as well as the relevant national collective bargaining agreements (*CCNL*).

A. Non-management employees

With reference to this category of employees, the conduct constituting a violation of the Model and the relevant sanctions are set out below:

1) a verbal reprimand shall be inflicted on an employee who commits a minor non-compliance with the provisions of the internal procedures provided for in the Model or adopts a slightly negligent conduct that does not comply with the requirements of the Model, or omits to report or tolerates minor irregularities in compliance with the Model committed by other internal employees;
2) a written reprimand shall be applied to any employee who commits a non-serious breach of the internal procedures provided for in the Model (e.g., who fails to observe the prescribed procedures, omits to notify the Supervisory Board of the prescribed information, omits to carry out verifications, etc.), or adopts, in the performance of activities in sensitive areas, a conduct that does not comply with the requirements of the Model. In addition to this, offences punishable by verbal reprimand, when, due to objective circumstances, specific consequences or recidivism, they are of greater significance, failure to report or tolerance of non-serious irregularities in compliance with the Model committed by other employees;
3) a fine, not exceeding the amount of 4 hours of normal remuneration, shall be imposed on an employee who is a repeat offender in violating the procedures provided for in the Model or in adopting, when carrying out activities in sensitive areas, a conduct that does not comply with the requirements of the Model;
4) any employee who, in breach of the internal procedures provided for by the Model or by adopting, in the performance of activities in sensitive areas, a conduct which does not comply with the provisions of the Model, acts contrary to the interests of the Model, or acts punishable with a written reprimand when, on account of objective circumstances, specific consequences or recidivism, they are of a more serious nature, as well as in similar cases where the employee has repeatedly committed offences punishable with a written reprimand, shall be liable to suspension from work and pay for a period not exceeding 5 days. In addition, there is the failure to report or tolerate serious irregularities in the observance of the Model committed by other members of staff, or such as to expose the Entity to an objective situation of danger or to determine negative consequences for it;
5) an employee who, while carrying out activities in sensitive areas, is a repeat offender of conduct punishable by suspension of up to five days or a fine shall be dismissed with notice;
6) an employee who adopts, in the performance of activities in sensitive areas, a wilful conduct in breach of the provisions of the Model, such as to determine the concrete application against the

Entity of the measures provided for in the Decree, incurs the measure of dismissal without notice. The disciplinary procedure, preparatory to the application of the above measures, is governed by the reference company procedure, which, in compliance with the C.C.N.L. in force, regulates it. While referring to the detailed rules set out in the aforementioned company procedure, it is specified, in general, that:

a) no disciplinary measure may be taken against the employee without first notifying him/her of the charge within 20 days after the person responsible for issuing the notice became aware of the fact;
b) for all disciplinary measures, a written notice must be made to the employee, specifically stating the facts constituting the infringement;
   the disciplinary measure may not be issued until five days have elapsed since this notice, during which the employee may present his/her reasons;
c) the measure must be issued within 90 days of the notice even if the employee does not submit any reasons; and previous disciplinary sanctions shall not be taken into account for any purpose after two years from their application.

B. Third-party Addressees

Any conduct by Consultants, Collaborators or other third parties connected to the Entity by a contractual relationship other than an employment contract, in breach of the provisions of the Model and/or the Code of Ethics, may determine, in accordance with the provisions of the specific contractual clauses included in the engagement letters or in their absence by the disciplinary system eventually adopted by the Entity, the termination of the contractual relationship, without prejudice to any claim for compensation if such conduct causes damage to the Entity itself, even independently of the termination of the contractual relationship.

13. Communication and training

13.1 Communication

The Entity guarantees to all Addressees a correct knowledge and disclosure of the Model and the Code of Ethics.

As soon as the Model and the Code of Ethics are approved or if they are amended, they are communicated to all the Company's personnel by the Area Managers and the SB using the most appropriate means of disclosure, internal information notes or access to the computer system.

The Area Managers, in consultation with the Supervisory Board, shall establish appropriate procedures to

certify the receipt of the Model and the Code of Ethics by the Company's personnel.

Forms of communication of the Model and the Code of Ethics are also provided for when recruiting new employees, as well as in the context of training activities.

For persons outside the Company, addressees of the Model and the Code of Ethics, special forms of communication of the Model and the Code of Ethics are provided for when the contract is signed. Contracts regulating relations with such persons must provide for clear responsibilities with regard to compliance with the Company's business policies and, in particular, with the Code of Ethics and the Model.

13.2 Training

The Entity undertakes to implement periodic training programmes with the aim of ensuring the effective knowledge and disclosure of the Code of Ethics and the Model, including updates or amendments, by employees and members of corporate bodies.
Training programmes cover the Decree and the regulatory framework of reference, the Code of Ethics and this Model. The level of training is modulated, with a different degree of depth, in relation to the qualification of the Addressees and the different level of their involvement in sensitive activities.

Staff training for the purposes of implementing the Model is managed by the SB also with the help, where appropriate, of internal company staff or external consultants. The delivery of the various training courses can take place through:

- face-to-face lectures, in person or via online platform, with preparation of appropriate attendance register, learning tests and issuance of certificate of attendance;
- e-learning platform with time-lock of slides (advisable measure), intermediate tests, final summary test and possibility to monitor login and logout of the addressees of the training process.

The Supervisory Board may verify the adequacy of the training programmes, the implementation methods and the results.

Participation in the training programmes referred to in this paragraph is mandatory. Violation of these obligations constitutes a breach of the Model and is subject to the provisions of the Disciplinary System.

14. Control principles

The controls aimed at preventing the risk of committing the offences provided for in Legislative Decree No. 231/2001 support compliance with the Code of Ethics of Green Horse Financial Advisory s.r.l., a general principle that cannot be derogated from the Model, and are structured as follows:

- Regulation: the existence of company provisions providing principles of conduct, operating methods for carrying out sensitive activities, as well as methods for filing the relevant documentation, so that every operation, transaction and action must be verifiable, documented, consistent and appropriate.
- Traceability:
  - each operation relating to the sensitive activity must, where possible, be properly formalised and documented;
  - the process of decision, authorisation and performance of the sensitive activity must be verifiable *ex post*, also by means of appropriate documentary aids, and the cases and procedures for the possible deletion or destruction of the records made must be regulated in detail, with clear identification of the persons involved. In all cases, the confidentiality of information must be respected within the terms of the law.
- Organisational structure: company organisational chart, Safety (Legislative Decree 81/08), environment (Legislative Decree 152/06), privacy (GDPR) able to give evidence of the company organisation with the identification of the tasks and responsibilities defined for the different functions, including service orders and job descriptions;
- Powers of attorney and delegation: the powers of authorisation and signature conferred must be:
  - consistent with assigned organisational and management responsibilities, including, where required, the indication of expenditure approval thresholds;
  - clearly defined and appropriately publicised inside and outside the Company. The corporate roles to which the power to commit the Company to certain expenses must be defined, specifying the limits and nature of the expenses. The deed of assignment of functions must comply with any requirements that may be required by law (e.g., delegation of health and safety of workers), as well as professional competence and express acceptance.
- Segregation of duties: separation, within each relevant business process, of activities between those who authorise, those who execute and those who control, so that no one can independently manage an entire process. This segregation is guaranteed by the intervention, within the same corporate macro-process, of several subjects in order to ensure independence and objectivity of the processes. The separation of functions is also implemented through the use of manual and computerised

procedures (information systems) that enable certain operations only to identified and authorised persons; at the same time, there is a clear identification and description of the tasks, responsibilities, powers and limits attributed to each function and, in particular, to the persons acting in the name and on behalf of the Company.

- Authorisation and signatory powers: identified and assigned in line with organisational and management responsibilities, defining in advance, in a clear and unambiguous manner, the company profiles entrusted with the management and responsibility for activities at risk of offences, also with regard to the profile of the enforceability of powers of attorney against third parties. Delegation, on the other hand, must be the instrument for a more effective fulfilment of legal obligations, indicating limitations to powers and expenditure. This system will require regular updating.
- Monitoring activities: this is aimed at the periodic and timely updating of powers of attorney, delegation of functions as well as the control system, consistent with the decision-making system and the entire organisational structure. This activity is the responsibility of the Directors with regard to company powers of attorney and delegation of functions. Finally, the protocol provides for the existence of controls carried out by the Area Managers or by a third superordinate Entity.
- Communication to and training of personnel: all the Company's personnel must be made aware of the existence not only of the Organisational Model and the Code of Ethics, but also of other instruments such as authorisation powers, hierarchical reporting lines, procedures, information flows and everything that contributes to the transparency of daily operations.

  In addition, an adequate training programme must be developed for personnel in the risk areas, appropriately modulated according to the level of the addressees, which illustrates the reasons of desirability, as well as the legal ones, that inspire the rules and their concrete scope.

  Communication must be widespread, effective, authoritative, clear and detailed, and repeated periodically. A modulated training programme, supervised by the SB, as described above, must be set up alongside the communication route.

Should cases of necessity and urgency arise that temporarily do not allow compliance with the protocols provided for in the Special Part, those who make and implement decisions assume all related responsibilities.

The SB shall be promptly informed and shall informs the relevant corporate function, called upon to ratify them.

14.1 Preliminary Verifications of contractual counterparts

As a further control aimed at preventing the commission of the predicate offences envisaged by the Decree, the Company deems it appropriate to carry out, where possible, in accordance with the indications of Confindustria in the approved Guidelines, the following verifications or fulfilments (hereinafter Preliminary Verifications) against contractual counterparties, whether suppliers, consultants, clients or performing any other activity connected with the Company's activities:

- commercial and professional reliability of suppliers and commercial or financial partners, on the basis of the contractual and payment terms applied, of public prejudicial data - such as protests, bankruptcy proceedings or similar - as well as the involvement of politically exposed persons within the meaning of Legislative Decree No. 231/2007, i.e., "*natural persons resident in other EU or non-EU states who hold or have held important public office, as well as their direct family members or those with whom such persons are known to have close links*";
- verification of the possible adoption of Organisation, Management and Control Models or equivalent for foreign entities, by contractual counterparties. In the selection process, the adoption of the Organisation, Management and Control Model is a preferential qualification, in case of equal requirements;
- verification of the regularity of payments, with reference to the coincidence between the addressees and originators of payments and the counterparties actually involved in the transactions;
- formal and substantive controls of the company's financial flows. In particular, verifications must take into account the registered office of the counterparty company, in the light of lists of countries at risk of terrorism or off-shore centres, the credit institutions used and any corporate shields or trust structures used for extraordinary transactions and operations;
- compliance with thresholds for cash payments, as well as the possible use of bearer or anonymous passbooks for cash management;
- cautions in the case of fractional payments;
- periodic training for personnel considered at risk of involvement, even unknowingly or occasionally, in money laundering or terrorist conduct;
- correct execution of the required environmental procedures;
- compliance with current labour regulations, with particular attention to child labour and health and safety at work.