



**ARREGHINI**  
ITALIAN PAINTS SINCE 1950

ORGANISATIONAL MODEL  
AND CONTROL MODEL PURSUANT  
TO  
Legislative Decree 231/2001

**GENERAL SECTION**

Version No. 2

of 30 June 2026

# **Cap Arreghini S.p.A.**

## **Organisation, Management and Control Model pursuant to Legislative Decree 231/01**


**GENERAL SECTION**



**GENERAL SECTION**

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## 1. Introduction

### 1.1 Cap Arreghini S.p.A.

Colorificio Arreghini Portogruaro – Società per Azioni (hereinafter referred to as “CAP ARREGHINI”) was founded way back in 1950 when its founder, Adolfo Arreghini, a painter and expert restorer trained in Venice, began producing the paints required for his profession himself.

Over the years, the company has grown, evolving and adapting to market demands, meeting and even anticipating market needs, and becoming a public limited company (SpA) in 1988.

CAP ARREGHINI has successfully adapted to societal changes by combining technological progress with a tradition of reliability and responsible business practice.

The company specialises in designing, manufacturing and distributing coating products for buildings, timber and steel structures, ensuring an aesthetically pleasing finish whilst prioritising human wellbeing and respect for the environment.

In particular, CAP ARREGHINI specialises in the production and marketing of paints, enamels, varnishes and related products, as well as all materials associated with the building sector for wall coating and/or decoration, including plasters and mortars for the construction market and, since 2013, also for the industrial and anti-corrosion sectors.

Today, CAP ARREGHINI, drawing on 70 years of experience and advanced know-how, is an efficient and well-structured company that places great emphasis on technological innovation, research and the development of solutions offering high performance, excellent results and maximum safety, with particular attention to environmental issues.

All production is 100% Made in Italy, a value that reflects the company’s strong commitment to the entire production cycle and its complexities.

Furthermore, the company has also developed the “CAP ACADEMY”, the result of a corporate philosophy that has always regarded training as a cornerstone of its policy, viewing it as one of the tools for responding to market developments and as a means of fostering the success and competitiveness of its customers. This is a comprehensive and detailed training programme designed to ensure that retailers and applicators have opportunities for continuous growth and professional development.


Face-to-face courses are held in specific sessions throughout the year at the CAP ACADEMY, based at the CAP ARREGHINI headquarters in Portogruaro (VE), where dedicated spaces have been designed with a layout intended to make training increasingly effective and engaging.

Courses are also organised at partner retailers in Italy and abroad, with the aim of bringing training as close as possible to the professionals.

CAP ARREGHINI plays a proactive role in promoting environmental ethics.

In this regard, the company has obtained numerous certifications, including:

- LEED certification for the building, which attests that 27 products meet the most stringent criteria;
- Product EPD certification in accordance with ISO 14025 (7 products), (an environmental product declaration that demonstrates the sustainability of the products and communicates the company’s environmental commitment to stakeholders);

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- EAD (European Assessment Document) certification for the external thermal insulation composite system;
- CE marking for concrete admixtures (UNI EN 1504-2);
- HACCP certification for numerous products relating to food hygiene and safety;
- Class A and A+ product certifications;
- Numerous products certified to Indoor Air Comfort Gold standards, guaranteeing the total absence of hazardous substances harmful to health.

## 1.2 Legislative Decree 231/01

On 8 June 2001, Legislative Decree No. 231/2001 (hereinafter referred to simply as the “Decree” or ‘Decree 231’), which came into force on 4 July 2001. The Decree was intended to bring domestic legislation on the liability of legal persons into line with certain international conventions to which Italy had long been a party, such as the Brussels Convention of 26 July 1995 on the protection of the European Communities’ financial interests, the Brussels Convention of 26 May 1997 on combating corruption involving officials of the European Community or of Member States, and the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international business transactions.

With this Decree, entitled *‘Regulation of the administrative liability of legal persons, companies and associations, including those without legal personality’*, a regime of administrative liability (relating to criminal liability) was finally introduced into the Italian legal system, holding entities liable for certain offences (or categories of offences) committed **in their own interest** or for their own **benefit**:


- (i) **Senior Officers (Article 6 of Legislative Decree 231/2001)**: natural persons holding representative, administrative or managerial positions within the entities themselves or within an organisational unit thereof possessing financial and functional autonomy, as well as natural persons who exercise, even de facto, the management and control of the entities themselves (Article 5(1)(a)); and
- (ii) **Subordinate Persons (Article 7 of Legislative Decree 231/2001)**: natural persons subject to the management or supervision of one of the persons referred to above. This liability is in addition to that of the natural person who actually committed the act (Article 5, paragraph 1, letter b).

In this regard, the offences included in the list of administrative offences and predicate offences referred to in the Decree, even if committed only at the attempt stage, give rise to the liability provided for by the Decree on the part of the entity.

The extension of liability is intended to involve, in the punishment of certain criminal offences, those entities that have derived **an interest** or **benefit** from the commission of the offence.

Among the **penalties** provided for, the most severe are *disqualification measures* such as the suspension or revocation of licences and concessions, a ban on contracting with the public administration, disqualification from carrying out business activities, the exclusion from or revocation of funding and grants, and a ban on advertising goods and services. In the event of a conviction, financial penalties are also imposed.

Furthermore, the liability provided for by the Decree also applies to offences committed abroad, provided that the State in which the offence was committed does not prosecute the offence.


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As regards the types of offences that give rise to the aforementioned regime of administrative liability for legal entities, the Decree, in its original text, referred to a series of offences committed in dealings with the public administration.

In the years following the Decree's entry into force, a number of legislative measures were introduced aimed at expanding the list of predicate offences and broadening the scope of the new legislation.

In particular, the following predicate offences have been included in the Decree:

- Art. 24: misappropriation of public funds, fraud against the State or a public body or for the purpose of obtaining public funds, and computer fraud against the State or a public body, as well as fraud in public procurement;
- Art. 24 *bis*: cybercrimes and unlawful processing of data;
- Art. 24 *ter*: organised crime offences;
- Art. 25: embezzlement, misappropriation of money or movable property, extortion, undue inducement to give or promise a benefit, and corruption;
- Article 25 *bis*: forgery of currency, public credit instruments, revenue stamps and identification documents or marks;
- Article 25 *bis* 1: offences against industry and commerce;
- Article 25 *ter*: corporate offences;
- Art. 25 *quater*: offences committed for the purposes of terrorism or the subversion of the democratic order;
- Article 25 *quater* 1: female genital mutilation;
- Article 25 *quinquies*: offences against the individual;
- Article 25 *sexies*: market abuse;
- Article 25 *septies*: manslaughter or causing serious or very serious bodily harm in breach of health and safety at work regulations;
- Article 25-*octies*: handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering;
- Article 25-*octies*.1: offences relating to non-cash payment instruments and the fraudulent transfer of funds;
- Article 25-*octies* 2: offences relating to breaches of European Union restrictive measures
- Art. 25 *nonies*: offences relating to copyright infringement;
- Art. 25 *decies*: incitement to make no statements or to make false statements to the judicial authorities;
- Article 25 *undecies*: environmental offences;
- Article 25 *duodecies*: employment of third-country nationals residing illegally;
- Article 25 *terdecies*: racism and xenophobia;
- Article 25 *quaterdecies*: fraud in sporting competitions, the unauthorised operation of gambling or betting activities, and gambling carried out using prohibited devices;
- Article 25 *quinquedecies*: tax offences;
- Article 25 *sexiesdecies*: smuggling;
- Article 25 *septiesdecies*: offences against cultural heritage;
- Article 25-*duodevicies*: money laundering involving cultural heritage and the destruction and looting of cultural and landscape heritage;
- Article 25 *undevicies*: offences against animals;
- Art. 26: attempted offences.

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For the sake of completeness, it should also be noted that, in accordance with Legislative Decree 231/2001, the list of predicate offences includes:

- Article 187-quinquies of the Consolidated Law on Finance (TUF): other offences relating to market abuse;
- Art. 12, Law No. 9/2013: liability of legal entities for administrative offences arising from criminal offences [*These constitute predicate offences for legal entities operating within the virgin olive oil supply chain*];
- Law No. 146/2006: cross-border offences [*The following offences, if committed in a cross-border manner, constitute grounds for the administrative liability of legal entities*].
- Alignment of national legislation with Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937 (Legislative Decree 129/2024).

Finally, it should be noted that this Organisational, Management and Control Model has been updated to incorporate the regulatory changes introduced, most recently, by the introduction of Article 25-*undecies* concerning offences against animals and by Decree-Law ‘Terra dei Fuochi’, which amended Article 25-*undecies* of Legislative Decree 231/2001 concerning environmental offences.

### 1.3 Penalties


Should the liability of the legal person be established, the criminal court may impose the relevant sanctions, which are divided into financial penalties and disqualification orders, the latter of which may also be applied as a precautionary measure.

There are therefore two types of penalty: **financial** penalties, which are always imposed, and which range from a minimum of **€25,822.84** to a maximum of **€1,549,370.60**, and the following **disqualification** penalties, which may also be imposed as a precautionary measure, pursuant to Articles 45 et seq. of Decree 231:

- a) disqualification from carrying out the activity;
- b) the suspension or revocation of authorisations, licences or concessions necessary for the commission of the offence;
- c) a ban on contracting with the public administration, except for the provision of a public service;
- d) exclusion from benefits, funding, grants or subsidies and the possible revocation of those already granted;
- e) a ban on advertising goods or services.

In addition to these, there is the **confiscation** of the proceeds or profits of the offence and the **publication of the judgment**.

Finally, it should be noted that Article 26(1) of the Decree stipulates that, in the case of an attempted offence, financial penalties and disqualification orders are reduced by one third to one half, whilst they are not imposed in cases where the Entity, pursuant to Article 26, ‘*voluntarily prevents the commission of the act or the occurrence of the event*’.

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#### **1.4 The adoption of the ‘Organisation and Management Model’ as a possible defence against administrative liability**

Article 6 of the Decree, whilst introducing the regime of administrative liability for the organisation, also provides for a form of **exemption** from such liability where the company demonstrates that:

- i.** the body in charge of the organisation has adopted and effectively implemented, prior to the commission of the offence, organisational and management models suitable for preventing offences of the type that occurred;
- ii.** the task of supervising the functioning of and compliance with the models, as well as ensuring their updating, has been entrusted to a body within the organisation endowed with autonomous powers of initiative and control;
- iii.** the persons who committed the offence acted by fraudulently circumventing the organisational and management models;
- iv.** there was no omission or failure of supervision on the part of the body referred to in point (ii) above.

The **content** of the *Organisational and Management Model* is set out in Article 6 itself, paragraph 2 of which provides that the organisation must:


- i. identify** the activities within which there is a possibility that the offences provided for in the Decree may be committed;
- ii. establish** specific protocols designed to plan the formulation and implementation of the organisation’s decisions in relation to the offences to be prevented;
- iii. identify** appropriate methods for managing financial resources to prevent the commission of such offences;
- iv. lay down** reporting obligations to the Supervisory Body responsible for monitoring the functioning of and compliance with the Model;
- v. introduce** an internal disciplinary system designed to sanction non-compliance with the measures set out in the Model.

## **2. Adoption of the Organisation and Management Model by Cap Arreghini**

### **2.1 Objectives pursued through the adoption of the Organisational and Management Model**

Cap Arreghini believes that adherence to ethical and transparency rules in the conduct of business constitutes a fundamental and necessary condition, as well as a competitive advantage, for pursuing and achieving its objectives, including the protection of its position and image, as well as the expectations and work of its employees.

Indeed, the Company’s founding values undoubtedly include moral integrity, personal honesty and fairness in both internal and external relations. Furthermore, key values include transparency towards *stakeholders* – that is, all parties with an influential interest in the Company – respect for employees (alongside the recognition of their professional skills), social commitment, and the protection of health, safety in the workplace and the environment. Cap Arreghini supports and promotes the creation of an environment characterised by a strong sense of ethical integrity, in the firm belief that this contributes decisively to the effectiveness of control policies and systems

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control systems, influencing behaviour that might otherwise escape even the most sophisticated monitoring mechanisms.

Cap Arreghini – notwithstanding the provisions of the Decree, which classify it as an optional rather than a mandatory element – has therefore deemed it appropriate and essential to adopt and issue an Organisational and Control Model pursuant to Legislative Decree 231/2001, which sets out the standards of conduct to be observed by all those who, at various levels of responsibility, contribute through their actions to the conduct of its business, including external parties, however they may be designated.

The Model has been drawn up taking into account, in addition to the provisions of the Decree, the *guidelines* drawn up on this subject by trade associations.

## 2.2 Purpose of the Organisation and Management Model


The purpose of this Model is to establish a structured and comprehensive system of procedures and control measures, to be carried out including on a preventive basis, aimed at preventing the commission of the various types of offences covered by the Decree.

In particular, by identifying Areas of Risk and establishing procedures to address them, the Model aims **to**:

- **ensure** that all those acting in the name and on behalf of Cap Arreghini in the Risk Areas are aware that, in the event of a breach of the relevant provisions, they may be guilty of an offence (criminal or administrative), with penalties (criminal or administrative) applicable to both the individual and the organisation;
- **to reiterate** that such forms of unlawful conduct are strongly condemned by the Company, since (even where the Company might potentially stand to benefit from them) they are nonetheless contrary to the provisions of the law and to the ethical and social principles to which Cap Arreghini is committed in the conduct of its business activities;
- to enable Cap Arreghini, through the monitoring of High-Risk Areas, to intervene promptly to prevent or combat the commission of such offences.

**Key elements** of the 231 Model, in addition to the principles already outlined, are:

- **raising awareness** and **disseminating** the established codes of conduct and procedures throughout the organisation at all levels;
- the **identification of Risk Areas**, namely those specific activities in which the likelihood of *offences* (as set out in Decree 231) or, in any event, *unlawful* acts being committed is considered to be highest;
- **risk prevention**, through the adoption of specific procedural principles aimed at planning the development and implementation of the Company’s decisions in relation to the offences and unlawful acts to be prevented;
- the establishment – including by reference to corporate procedures adopted by Cap Arreghini – of methods for managing financial resources that ensure the **traceability** of every single transaction;
- compliance with the principle of **the separation of duties**;
- the definition of **authorisation powers** consistent with the **responsibilities** assigned;

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- **the monitoring** of corporate conduct, as well as the functioning of the Organisational and Management Model, and its regular updating;
- the adoption of a specific **disciplinary system** suitable for sanctioning non-compliance with the organisational measures and procedures adopted by Cap Arreghini;
- the assignment **to the Supervisory Body** of specific tasks to oversee the effective and proper functioning of the Model.

### 3. Risk Assessment: Identification of Sensitive Processes and 231 Assessment

In drafting this Model 231, the Company and its advisers proceeded in accordance with the process described below.

#### 3.1 First operational phase

The activities that characterised the first operational phase of drafting this Model were focused on defining and organising the procedures for implementing the M.o.G. project.

In particular, the following activities were carried out:

- a) **project organisation**, with regard to the company personnel to be involved and/or appointed (internal contacts and relevant company roles), the timetable, the methods for collecting data and information, and monitoring progress;
- b) **sharing details of the project approach** with employees and *legal advisers*;
- c) **requests for documentation** from Cap Arreghini's company stakeholders, for the purposes of analysis;
- d) **presentation of the project** to the company representatives involved in the analysis and to senior management;
- e) ongoing **monitoring** of the proper execution of project activities in accordance with the work programme.

#### 3.2 Second operational phase: identification of business risks


The second phase of the project involved identifying the main **business risks** (known as *Risk Self-Assessment*) in accordance with the Decree, in order to precisely identify so-called '**sensitive activities**'.

The Confindustria *Guidelines* define 'risk' as '*any variable or factor within the company which, on its own or in conjunction with other variables, may adversely affect the achievement of the objectives set out in Decree 231 (in particular Article 6, paragraph 1, letter a); therefore, depending on the type of offence, the areas of activity at risk may be more or less extensive*'.

In particular, the risk of committing Decree 231 offences may be deemed 'acceptable' when the cost of additional controls exceeds the value of the asset to be protected: with reference to Decree 231, the conceptual threshold of 'acceptability', in cases of intentional offences, is represented by a prevention system structured in such a way that it cannot be circumvented or breached except through fraudulent means.

The acceptable **residual risk (RR)** is calculated by subtracting **the adequacy of the control system** from **the inherent risk (RI)**.

In this regard, the inherent risk associated with a specific sensitive activity indicates the level of risk associated with the activity itself, regardless of the operation of the control system put in place: Cap Arreghini calculated IR by taking into account the elements of **probability** and **impact**. More precisely.

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Probability assessment indices	Impact assessment indices
<ul style="list-style-type: none"> <li>• <b>Frequency of the activity</b> (frequency of conduct of the activity)</li> <li>• <b>History</b> (whether irregularities or breaches have occurred in the past)</li> <li>• <b>Economic economic</b> (economic economic of the activity)</li> <li>• <b>External external</b> (the activity's of the activity to external factors)</li> <li>• <b>Discretion in the activity</b></li> <li>• <b>Complexity of the process</b> (the process is so complex that it involves multiple functions)</li> <li>• <b>Sector</b> (the sector in which Cap Arreghini operates is characterised by specific risks of predicate offences being committed)</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Economic impact</b> (maximum amount of financial penalties provided for under Decree 231)</li> <li>• <b>Reputational impact</b> (impact of the dissemination of news regarding the alleged offence under Decree 231)</li> <li>• <b>Operational impact</b> (the impact of any disqualification order)</li> <li>• <b>Organisational impact</b> (impact of a breach of procedures or regulations)</li> </ul>

The residual risk (RR) **value** is obtained by reducing the initial value of the inherent risk in proportion to the strength of the Control System governing the activity in question.

The *Risk Self-Assessment* was carried out through **interviews** with the heads of the various company departments, in accordance with the techniques set out in the *Confindustria Guidelines*. In particular, the *Risk Self-Assessment* involved:

- identification of processes and activities subject to the 231 provisions;
- identification of potentially applicable 231 offences;
- identification of any methods by which the offence might be committed;
- assessment of perceived risk and inherent risk.


In general terms, the **mapping of sensitive processes** has identified the types of offences that could, in theory, apply to Cap Arreghini:

OFFENCE CATEGORIES	APPLICABLE	
	YES	NO
Art. 24: misappropriation of public funds, fraud against the State or a public body or for the purpose of obtaining public funds, and computer fraud against the State or a public body;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 24-bis: cybercrimes and unlawful processing of data;	<input checked="" type="checkbox"/>	<input type="checkbox"/>



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Article 24 ter: organised crime offences;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25: embezzlement, misappropriation of money or movable property, extortion, undue inducement to give or promise a benefit, corruption;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 bis: forgery of currency, public credit instruments, revenue stamps and identification documents or marks;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 bis 1: offences against industry and trade;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 ter: corporate offences	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 quater: offences committed for the purposes of terrorism or subversion of the democratic order;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 quater 1: female genital mutilation;	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Article 25 quinquies: offences against the individual;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 sexies: market abuse;	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Article 25 septies: manslaughter or causing serious or very serious bodily harm in breach of the regulations on health and safety at work;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25-octies: receiving stolen goods, money laundering and the use of money, property or benefits of unlawful origin;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25-octies.1: offences relating to non-cash payment instruments;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 novies: offences relating to copyright infringement;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 decies: incitement to withhold statements or to make false statements to the judicial authorities;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25-undecies: environmental offences;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 duodecies: employment of third-country nationals whose stay is irregular;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 terdecies: Racism and Xenophobia;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 quaterdecies: Match-fixing;	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Article 25 quinquiesdecies: tax offences;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 sexiesdecies: Smuggling;	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Article 25 septiesdecies: offences against cultural heritage;	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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Article 25-duodevicies: Money laundering involving cultural heritage and the destruction and looting of cultural and landscape heritage;	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Article 25 undevicies: Offences against animals.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

The ‘preliminary’ assessment level for 231 Offence Risks has been determined as follows:

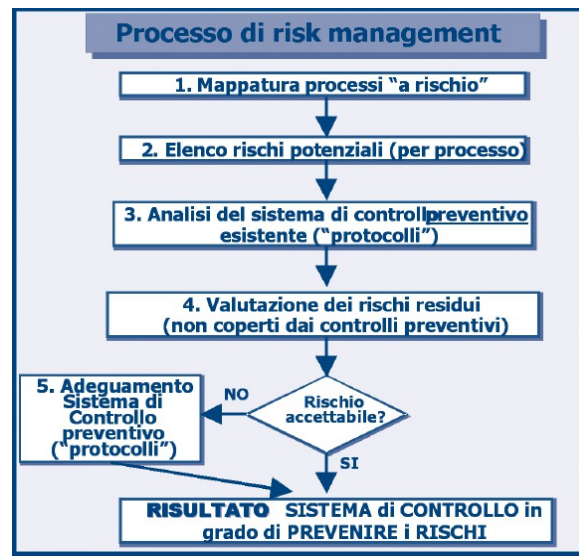
- **High risk:** high likelihood of the offence being committed (frequent and repetitive activities or operations that constitute the preconditions for the offence), high penalty impact resulting from the commission of the offence for Mr Arreghini and for the addressees, and risk events that have occurred in the past;
- **Medium risk:** medium likelihood of the offence being committed (infrequent and moderately repetitive activities or operations that constitute the preconditions for the offence) and medium/high impact of sanctions resulting from the commission of the offence on the Company and the addressees, and no risk events in the past;
- **Low risk:** low likelihood of the offence being committed (few or very few activities or operations that constitute the preconditions for the offence), medium penalty impact resulting from the commission of the offence for the Organisation and for the relevant parties, and no past risk events;
- **Non-realizable risk:** the offence is only theoretically possible; the company’s ethical standards and the operational context in which it operates are such that they do not create the conditions for, and/or do not permit, and/or do not tolerate, the commission of such offences;
- **Risk not applicable:** no objective conditions or regulatory applicability are identified for the commission of the offence in question.

### 3.3 Third operational phase: gap analysis

Once the definition and identification of corporate risks had been completed, a *gap analysis* was carried out, with the aim of verifying the level of internal regulation of activities subject to 231 risks (in coordination with *the risk assessment*). Once the corporate risks had been identified and the level of the Company’s internal regulatory framework verified, organisational and *compliance gaps* under Regulation 231 were identified, and all necessary remedial actions were identified and subsequently implemented to mitigate Regulation 231 risks and, in doing so, improve the architecture of the Company’s **Control System**.

The Confindustria *guidelines*, with which the Company has consistently complied, have specified that the design of the Control System entails an assessment of the organisation’s existing system for the prevention of offences and its possible adaptation, in terms of its ability to effectively counter – that is, reduce to an acceptable level – the identified risks. From a conceptual perspective, reducing a risk involves addressing – either jointly or separately – two key factors: (i) the probability of the event occurring and (ii) the impact of the event itself.

In this regard, the ‘*Integrity Risk Management*’ model was used as a reference for the analysis and assessment of the adequacy of the Control System aimed at preventing the commission of offences. This includes a methodology for identifying control processes and procedures for the prevention of irregularities, which are classified and assessed on the basis of eight components, as illustrated below.



### 3.4 Fourth operational phase: definition of the Organisational and Management Model

Finally, the main body of the Organisational and Management Model was defined, in line with *best practice* and the guidelines drawn up by Confindustria.

The Organisation and Management Model comprises:

- A General Section** containing: this document, the Code of Ethics and the Disciplinary Code, and the Whistleblowing Regulations;
- Special Section**, divided into individual annexes relating to the various types of offences covered by Decree 231, as well as the annex on Information Flows.


In light of the assessments described above, following a careful analysis of the company's situation, it was decided to draw up specific Special Parts relating to offences presenting a low, medium or high level of risk. As regards offences classified as 'unlikely to occur', given the absence of specific areas of risk for the commission of such offences, it was decided not to draw up specific Special Parts, as the safeguards already adopted by the Company (including the implementation of the principles set out in the Code of Ethics) were deemed sufficient to prevent the commission of such criminal offences.

Mr Arreghini is responsible for updating the Model as drafted in line with any adaptation requirements that may arise over time.

Given that this Model is an '*act issued by the governing body*' (in accordance with Article 6, paragraph 1, letter a, of Legislative Decree 231/2001), any subsequent substantial amendments and additions to the 231 Model itself fall within the remit of the Board of Directors

Furthermore, the Board of Directors is authorised to make any amendments that may become necessary or, in any event, appropriate as a result of regulatory or organisational changes, as well as to adopt further Special Parts.

These powers are deemed justified by the need to ensure that Model 231 is constantly and promptly adapted to any regulatory, operational and/or organisational changes occurring within the Company.

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Proposals to amend or supplement Model 231 may also be submitted by the Company's Supervisory Body to the Board of Directors.

#### 4. Company structure

An organisational structure that is appropriate for the preventive purposes set out in the Decree must be characterised by the following principles:

- a clear and precise definition of roles, the responsibilities associated with them, and the internal hierarchy within the company;
- the delegation of powers to represent the organisation only to the extent strictly necessary and, in any event, within limits that are consistent with and compatible with the duties performed by the relevant individual to whom such powers are delegated;
- expenditure powers granted subject to spending limits and/or requiring the joint signature of several individuals.

Having taken note of the framework resulting from a careful assessment of the context, the control environment and the identification of risks, parties involved and potential offences, the Company has put in place specific prevention and protection systems and mechanisms, as set out in more detail below.

#### 4.1 Corporate bodies

##### 4.1.1 Administrative Body

The powers of the corporate bodies are governed by the Articles of Association and applicable legislation.

The Company is managed by a Board of Directors comprising between three and five members, who may also be chosen from among non-shareholders.


The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company. It therefore has the authority to carry out all acts, including dispositive acts, which it deems appropriate for the pursuit of the corporate purpose, with the sole exception of those acts which the law or the Articles of Association reserve for the Shareholders' Meeting.

The Board of Directors may establish special-purpose funds for a specific transaction within the limits and in accordance with the procedures set out in Articles 2447-*bis* et seq. of the Italian Civil Code.

The Board of Directors is also responsible for resolutions relating to the reduction of share capital in the event of shareholders' withdrawal as provided for in Article 26 of the Articles of Association, and for amending the Articles of Association to comply with regulatory provisions.

The legal representation of the Company vis-à-vis third parties and in legal proceedings rests with the Chairman of the Board of Directors as well as, if appointed, the Vice-Chairman and the Chief Executive Officer.

Without the need for any authorising resolution by the Board of Directors, each of the aforementioned representatives may, even separately: (i) carry out all acts of ordinary administration falling within the scope of the Company's objects, as well as those of extraordinary administration relating to the acquisition, sale and exchange of capital assets; (ii) appoint and revoke agents and attorneys-in-fact, determining their powers; (iii) bring or support legal proceedings on behalf of the Company, whether as plaintiff or defendant, in any court—civil, criminal or administrative—and at any level of jurisdiction, including before the Constitutional Court, the Court of

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Court of Cassation, the Council of State, the Higher Court of Public Waters, the regional courts and any other court, including special courts, and also in proceedings for revocation and third-party objections, and to appoint or dismiss lawyers and legal representatives as required; (iv) to entrust, for all legal purposes, the responsibilities for the organisation and management of specific areas of the Company's business to employees of the Company, granting them all necessary powers.

The Board of Directors may, in accordance with the law, confer legal representation of the Company upon one or more General Managers, Co-General Managers or Deputy General Managers. In the relevant resolution, the Board shall also determine the powers of each individual.

The Board of Directors is composed as follows:


<b>Position</b>	<b>Name</b>	<b>Term of office</b>
<b>Chairman of the Board of Directors and Company Representative</b>	GIGLIOLA ARREGHINI	In office until the approval of the financial statements on 31 December 2026
<b>Director</b>	ROSANNA ARREGHINI	In office until the approval of the financial statements on 31 December 2026
<b>Director</b>	RENATO TESOLIN	In office until the approval of the financial statements on 31 December 2026

The Chairman of the Board of Directors was confirmed, by minutes dated 27 June 2024, as having the following powers:


- a) to carry out all acts of ordinary administration falling within the company's objects, as well as those of extraordinary administration relating to the acquisition, sale and exchange, including finance leases, of capital assets, including those registered in public registers.
- b) to appoint and dismiss agents and authorised representatives, determining their powers;
- c) to bring or support legal proceedings on behalf of the Company, whether as plaintiff or defendant, in any court—civil, criminal or administrative—and at any level of jurisdiction, including before the Constitutional Court, the Court of Cassation, the Council of State, the Higher Court of Public Waters, the regional courts and any other court, including special courts, even in proceedings for revocation and third-party objections; to appoint or dismiss lawyers and special solicitors as required;
- d) to entrust, for all legal purposes, the responsibilities for the organisation and management of specific areas of the company's business to employees of the Company, conferring upon them all the necessary powers, with the exception of the non-delegable powers referred to in Articles 2420-ter, 2423, 2443, 2446, 2447, 2501-ter and 2506-bis of the Civil Code.

The Board of Directors has also resolved to grant the Chief Executive Officer, Gigliola Arreghini, the broadest powers of day-to-day management relating to the company's corporate purpose and, in particular, the powers, duties and responsibilities set out below, in addition to those highlighted above:

1. to acquire, dispose of, exchange or transfer businesses or business units, and to enter into contracts for the lease, sublease or usufruct of a business;
2. to enter into, amend, terminate and renew leases, including those with a term exceeding nine years;

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3. to acquire shares or equity interests in the capital of other companies whose corporate purpose is similar or related to that of the Company;
4. to carry out, without any prior resolution by the general meeting or the board of directors, any transaction with banks for the purpose of obtaining credit facilities, receivables, loans and advances in any form, in favour of the Company, including the drawing of cheques on current accounts, up to a maximum limit of €600,000.00 (six hundred thousand/00) for each of the transactions set out above;
5. to carry out the following transactions using the Company's existing funds or within the limits of the credit facilities granted by any bank or credit institution:
  - to enter into, amend or terminate current account agreements with credit institutions and post offices;
  - to issue cheques drawn on the Company's current accounts and to transfer funds by bank transfer;
  - to issue, draw, endorse, present for payment, discount and accept bills of exchange issued or endorsed in favour of the Company;
  - issue payment authorisations;
6. collect receivables, money orders, cheques, postal orders, sums and securities of any kind or amount due to the Company, issuing full and final receipts;
7. to make payments, demand and issue receipts for any sums and securities due from the Company on any grounds whatsoever; to make and withdraw deposits and, in general, to carry out any other similar transactions;
8. to assign receivables with and without recourse;
9. to enter into, amend, terminate and renew insurance contracts and to represent the Company in all dealings with insurance companies;
10. the powers, duties and responsibilities, without exception, relating to compliance with and the application of tax regulations pertaining to the Company's activities, and therefore, in particular, but without this list being exhaustive, powers, duties and responsibilities relating to the keeping and maintenance of the accounts and company records, the preparation and submission of returns, declarations and documents of any kind to public offices and the tax authorities of the Italian Republic or of foreign states, and the keeping and maintenance of any register or document required by civil and tax legislation;
11. to enter into, amend and terminate contracts relating to employment, including those relating to staff with administrative duties, to set their remuneration, to promote, suspend, dismiss and terminate their employment; to intervene in disputes of any kind and at any level concerning employment relationships and to reach appropriate settlements and compromises, as well as to manage the responsibilities associated with compliance with obligations and requirements relating to labour matters, social security and contributions, and the obligations arising from the application of national collective labour agreements concerning employees;
12. to enter into, amend, terminate and renew contracts for the provision of services, utility supplies, works and contracts for any type of work, including professional services;
13. to sign and submit to the competent civil and military authorities applications for concessions, sub-concessions, authorisations, licences, permits, clearances, etc., or for amendments or extensions to similar documents;
14. to initiate and handle, before the relevant offices, administrations and commissions, tax matters and proceedings and to finalise them, including the Company's periodic tax returns for compliance with tax obligations, as well as the signing of returns, notifications or other documents required by law; to claim refunds of taxes, duties and contributions and any other sums due to the Company, with the power to collect and issue receipts for any amount; to appear before tax commissions at any venue and level, with the power to settle, compromise and reach agreements;
15. to represent the Company before any authority, commission or administrative office, whether civil or military, and to sign applications, appeals, complaints and settlements in respect of any matter;

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16. to carry out any transaction and handle any matter at treasury offices, including those of Regions, Provinces, Municipalities and public bodies, at post offices and, in general, at any public or private office, with the power to collect sums, securities, payment orders, instruments of any kind, interest, postal and telegraphic money orders, for any amount, issuing receipts and discharges therefor; to receive refunds; to lodge, release and withdraw deposits or security deposits of any kind pertaining to the Company, issuing receipts in the name and on behalf of the Company; to collect goods, parcels, packages, correspondence (including registered or insured items) and anything else due to the Company on any grounds, without limit as to amount or value; to issue discharge receipts, thereby releasing the aforementioned treasuries and offices from any liability regarding payment or delivery;

17. to implement the resolutions of the Board of Directors;

18. the powers, duties and responsibilities inherent in and arising from the implementation of the new legislation on the processing of personal data referred to in EU Regulation No 2016/679 (GDPR) and the related obligations, with the power to identify the organisational figures, including external ones, responsible for and/or appointed to carry out the processing, and to define their functions and/or responsibilities in accordance with the aforementioned legislation, without prejudice to the powers and responsibilities assigned to the Company itself as the data controller;


19. the powers, duties and responsibilities, exclusively and without exception, relating to compliance with and the application of the mandatory rules in dealings with the locally competent Chamber of Commerce, Industry, Crafts and Agriculture (CCIAA) with regard to the requirements and obligations relating to the Companies Register, with the consequent assumption, again exclusively, of the corresponding financial liability for administrative fines in the event of any breaches committed by the Company in relation to the aforementioned competent local Chamber of Commerce;

20. the powers, duties and responsibilities associated with the role of ‘employer’ as defined by current and future legislation, as well as the related obligations imposed by health and safety legislation, including the powers, duties and responsibilities relating to compliance with the requirements laid down by Legislative Decree No. 81/2008, as amended and supplemented, and by the relevant implementing decrees and measures, concerning workplace safety in general; the powers, duties and responsibilities relating to compliance with obligations and requirements concerning taxation, labour matters, and social security and contribution obligations, as well as the obligations arising from the application of national collective labour agreements concerning blue-collar and white-collar staff. To this end, within the scope of the powers conferred upon him, the Chief Executive Officer may adopt the measures and arrange the actions necessary and/or useful to comply with the laws and regulations concerning the health and safety of workers.

For the performance of the aforementioned duties, the Chief Executive Officer is granted the decision-making and expenditure powers necessary to fulfil the responsibilities delegated to him, subject to the obligation to report periodically to the Board of Directors; these powers are defined as follows:

- the power to purchase, modify, maintain and repair plant, machinery, work equipment, means of transport (including those subject to registration with the P.R.A.) and lifting equipment, as well as materials intended for temporary works;

- the power to purchase raw materials, goods and consumables, assets and products in general, energy supplies, and anything else that is or may prove necessary to ensure the health and safety of workers in the workplace, without the need for prior authorisation (excluding, in all cases, interventions involving structural changes to the company); with the power to commit expenditure directly (without any limitation) or to make payments, subject to compliance with the company’s internal procedures (intended solely as operational guidelines) as separately defined;

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- the power to suspend, even partially, work activities, should their continuation constitute a breach of accident prevention and occupational health and safety regulations, or should a situation arise involving a serious and immediate danger to the health and safety of staff, or should the plant, machinery, work equipment, means of transport and lifting equipment, materials intended for temporary works, and protective equipment do not meet the essential safety requirements laid down in current and future legislative and regulatory provisions, with a concurrent obligation to notify the Board of Directors immediately;

- the power to comply – where deemed lawful – with the instructions issued by the Supervisory Body – where established – taking into account subsequent regulations and amendments, in respect of any contraventions ascertained against the delegating party, and to make the consequent payment, at the administrative level, of the sum determined, as well as to comply with the formal notices and instructions issued by labour inspectors pursuant to Presidential Decree No. 520/55, as amended and supplemented (without prejudice to any concurrent or independent aspect of personal liability for conduct which is criminally relevant in terms of negligence or wilful misconduct);

21. to create, register and renew mortgages and charges against third parties and in favour of the Company; to authorise the cancellation, reduction or subordination of mortgages against third parties and in favour of the Company following the discharge or reduction of the relevant obligations; to carry out any mortgage-related transaction, always against third parties and in favour of the Company, indemnifying the relevant land registry officials against any and all liability;

22. to represent the Company as a shareholder, partner or member at ordinary and extraordinary general meetings of other companies, as well as in existing and future associations and/or consortia, in order to implement the directives issued by the Board of Directors.


Furthermore, by minutes dated 27 June 2024, Director Rosanna Arreghini was assigned the following duties:

- To promote the Company’s development through communication, advertising and product promotion activities;
- To draw up budgets, determining investments and the annual communications plan, whilst overseeing the strategic definition of marketing and promotional initiatives;
- To manage internal and external relations, key partnerships and communications;
- Identify sponsorship opportunities;
- Managing the press office, maintaining relations with journalists and media outlets;
- Select suppliers;
- Organise participation in trade fairs, meetings and conferences;
- Manage communication and the display of goods within dealerships;
- Manage promotional gifts, gadgets and colour samples.

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#### 4.1.2 Board of Statutory Auditors and Auditors

<b>Position</b>	<b>Name</b>	<b>Term of office</b>
<b>Chairman of the Board of Statutory Auditors</b>	RENATO MURER	In office until the approval of the financial statements on 31 December 2026

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<b>Mayor</b>	CARLO DE BORTOLI	In office until the approval of the financial statements on 31 December 2026
<b>Auditor</b>	ALESSANDRO PREISSINOTTO	In office until the approval of the financial statements on 31 December 2026
<b>Alternate Auditor</b>	SIMONE FRANCHETTO	In office until the financial statements are approved on 31 December 2026
<b>Alternate Auditor</b>	FEDERICO DEL VECCHIO	In office until the approval of the financial statements on 31 December 2026

<b>Position</b>	<b>Name</b>	<b>Term of office</b>
<b>Audit Firm</b>	REVISIUM S.r.l. Auditing and Legal Firm	In office until the approval of the financial statements on 31 December 2026

#### 4.1.3 Powers of attorney and delegations

The Company currently has no authorised signatories or delegates.

Any powers and delegations will be expressly conferred by the Sole Director in relation to specific operational requirements.


Delegations of authority must link each management power to the corresponding responsibility and to an appropriate position within the corporate organisational structure, as well as being constantly updated in line with any organisational changes that may occur within the organisation. To be valid, each delegation of authority must specifically and unambiguously define the powers granted to the delegate and the entity – whether a body or an individual – to whom the delegate reports. The management powers conferred by these delegations must be consistent with the objectives pursued by Cap Arreghini.

The delegate must have adequate spending powers that are consistent with the functions assigned to them.

## 4.2 Management System

A management system is a set of rules and procedures, defined in an internationally recognised standard, which an organisation may apply in order to achieve defined objectives. The aim is generally to implement tools that enable the organisation to keep its processes and activities under control. Furthermore, the adoption of a Management System is voluntary and a third-party body may certify its effectiveness. That said, the Management System serves to organise, develop and maintain the achievement of the objectives set by the Company through the definition of roles and responsibilities, as well as the management of operational activities and their constant monitoring.

In accordance with Article 30 of Legislative Decree 81/2008, this Model also implements a workplace safety management system, with the aim of ensuring:

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- the reduction of costs arising from accidents, injuries and work-related illnesses by minimising the risks to which employees and, more generally, all those associated with the company (customers/users, suppliers, etc.) may be exposed
- improved levels of health and safety at work
- maximum ease in producing all the documentation required by the new regulations

Cap Arreghini ensures the continuous improvement and effectiveness of its Management System, not only through the definition of company policies and objectives, but also through monitoring of the applicable legislation and the results of internal audits, data analysis and the resulting corrective and preventive actions, management reviews, self-assessment and the direct involvement of its staff.


Furthermore, given the company’s core business, the company has sought to obtain the following certifications:

<b>Certification</b>	<b>Certification body</b>	<b>Certificate number</b>
UNI EN ISO 14001:2015	DNV BUSINESS ASSURANCE ITALY S.r.l.	10000312181-MSC- ACCREDIA-ITA
UNI EN ISO 9001:2015	DNV BUSINESS ASSURANCE ITALY S.r.l.	188418-2015-AQ-ITA- ACCREDIA
S.P-06162 PAINTS FOR INTERIORS AND EXTERIORS	DNV BUSINESS ASSURANCE ITALY S.P.A	C550496-ACCREDIA
S-P-05360 EXTERIOR PAINTS	DNV BUSINESS ASSURANCE ITALY S.P.A	C550495-ACCREDIA
S-P-06163 INTERIOR PAINTS	DNV BUSINESS ASSURANCE ITALY S.P.A	C497228-ACCREDIA

## 5. Internal Control System

The internal control system is based not only on the rules of conduct set out in this Code, but also on the set of tools, organisational structures and company procedures, and has the following objectives:

- To ensure the effectiveness and efficiency of business processes;
- To ensure compliance with laws and regulations, as well as with company rules and procedures;
- To safeguard the value of the company’s assets and share capital;
- To guarantee the quality and reliability of the information provided by the Company, particularly in economic and financial matters.

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The internal control system is governed by general principles, the scope of which extends seamlessly across the various organisational levels and operational units, as follows:

- **Powers of representation** must be conferred by defining limits in relation to the normal scale of the relevant transactions and in accordance with areas of operation closely linked to the assigned duties and the organisational structure;
- **Responsibilities** must be defined and duly allocated, avoiding functional overlaps or operational arrangements that concentrate critical activities on a single individual;
- **Appropriate authorisation** is required for each significant transaction carried out by the operating units;
- Operational tasks are assigned to individuals other than those with supervisory responsibilities, so as to **minimise the risk of conflicts of interest**;
- The **traceability** of operational decisions, in terms of their characteristics and rationale, is ensured, and it must be possible to identify those who authorised, carried out and verified individual activities;
- The exchange of information must be carried out in a manner that ensures the **completeness and integrity of the data handled**;
- Human resources must be selected, recruited and managed in accordance with criteria of transparency and in line with the ethical values and objectives defined by the company;
- The procurement of goods and services for the company's operations must be based on a needs analysis and sourced from appropriately selected and monitored suppliers;
- Employees' conduct in pursuing objectives and in the completion of every operation must be guided by the principles of honesty, transparency, loyalty, integrity and fairness. **The belief that one is acting in the best interests of Cap Arreghini must under no circumstances justify the use of improper practices or conduct that contravenes the principles set out in this Code.**

## 6. External control system: Supervisory Body

### 6.1 Identification of the Supervisory Body


The Supervisory Body (also referred to as the SB in this text) is a body responsible for overseeing the functioning of and compliance with the Model (including its updating) and must have powers of initiative and control. Cap Arreghini's SB is generally entrusted with the task and function of overseeing:

- a) compliance by the Addressees with the provisions of the Organisational and Management Model, in relation to the various types of offences covered by Decree 231;
- b) the actual effectiveness and real capacity of the Organisation and Management Model, in relation to the company's structure, to prevent the commission of the offences referred to in the Decree;
- c) whether the Organisation and Management Model needs to be updated, in light of changing corporate conditions and new legislative and regulatory developments.

Members of the Supervisory Body must meet the requirements of autonomy, independence, professionalism and continuity of action, as well as integrity and the absence of conflicts of interest.

In this regard, it should be noted that:

- **autonomy** must be understood in a sense that is not merely formal. It is essential that the Supervisory Body be vested with effective powers of inspection and control, that it have access to relevant company information, and that

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be provided with adequate resources and be able to make use of tools, support and experts in carrying out its monitoring activities;

- as regards **independence**, members of the Supervisory Body must not be in a position, even a potential one, of conflict of interest with Cap Arreghini, nor hold executive functions within the company.

In the case of individuals within the company’s organisation, the member must also hold a managerial position appropriate to the company’s structure and possess independent powers of initiative and control, as well as the professional expertise required for the role.

- With regard to **professional competence**, the role of Supervisory Body member must be held by individuals possessing appropriate expertise in legal matters and in the control and management of corporate risks.

The Supervisory Body may also, including by engaging external professionals, draw on competent resources in specific technical fields.

## 6.2 Duties of the Supervisory Body

At an operational level, the Supervisory Body of Cap Arreghini is entrusted with the task of:

- a) **Implementing procedures to verify and monitor the application of the Model**, bearing in mind that primary responsibility for monitoring activities – including those relating to High-Risk Areas – remains with operational *management* and forms an integral part of the corporate process (‘line management’).

This confirms the importance of staff training;

- b) **Conducting reviews** of the company’s activities for the purpose of producing an up-to-date map of Risk Areas and carrying out targeted checks on specific operations or actions undertaken within the Risk Areas;
- c) **Promote initiatives to disseminate** knowledge and understanding of the Organisational and Management Model and prepare organisational documentation containing instructions, clarifications or updates regarding the operation of the Model itself; and, in any event, ensure that employees receive regular training and information on both the content of the Organisational Model and the legislation referred to therein;


- d) **Ensure that the** Organisational and Management Model **is kept up to date** whenever there is a need to adapt it;

- e) **To collect, process and retain** relevant **information** regarding compliance with the Organisational and Management Model, as well as to verify the actual existence, proper maintenance and effectiveness of the documentation required in accordance with the provisions of the individual Special Parts of Model 231 for the various types of offences.

Furthermore, to update the list of information that must be provided to the Supervisory Body or kept at its disposal;

- f) **Coordinate with company departments** to monitor activities in High-Risk Areas.

To this end, the SB is kept constantly informed of developments in activities within the Risk Areas and has free access to all relevant company documentation, including related

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updates. *Management* must also report to the SB any situations arising from the company's activities that may expose the company to the risk of an offence;

- g) Conduct internal investigations** to ascertain alleged breaches of the provisions of this Model, including with the assistance of the control structures established within the Company, whilst ensuring the confidentiality of those reporting breaches and putting in place deterrent measures against any misleading or improper information;
- h) To verify that the provisions set out in the individual Special Sections of the Model for the various types of offences are adequate** and meet the requirements for compliance with the provisions of Decree 231, and, if not, to update those provisions;

In all other respects, the Supervisory Body governs its internal functioning through specific regulations.

### 6.3 Information to and from the Supervisory Body

Article 6(2)(d) of Legislative Decree 231/2001 stipulates that the 231 Model must provide for: *'obligations to provide information to the body responsible for monitoring the functioning of and compliance with the models'*.

Information flows are a fundamental element in enabling the Supervisory Body to carry out its duties properly, facilitating the necessary exchange of communications between the Company and the Supervisory Body itself, and vice versa.


There are two types of information flow: (i) the first concerns flows to the Supervisory Body, i.e. **reporting to the Supervisory Body**; (ii) the second concerns flows from the Supervisory Body itself to the corporate bodies (**reporting to the corporate bodies**).

#### 6.3.1 Reporting to the Supervisory Body

Within the company, in addition to the documentation set out in the 'Information Flows' annex, the Supervisory Body must be made aware of any other information, of any kind, including that originating from third parties, relating to the implementation of the 231 Model in the Risk Areas.

Company Representatives are always under a duty to report to the Supervisory Body:

- any fact or information relating to events that could, even only potentially, give rise to the Company's liability under Legislative Decree 231/2001;
- the initiation of legal proceedings against managers or employees who are charged with offences under Legislative Decree 231/2001 or Law 146/2006;
- breaches of the 231 Model or the Code of Ethics, as well as any conduct that may give rise to the suspicion of an unlawful act or, in any case, conduct that does not comply with the principles, procedures and rules set out in this Model;
- information relating to disciplinary proceedings conducted and any measures imposed (including measures taken against Company Representatives) or decisions to dismiss such

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proceedings, together with the relevant grounds, where they relate to the commission of offences or breaches of the rules of conduct or procedural rules set out in the Model.

- any anomalies or deviations from the principles set out in the Code.

### 6.3.2 Reporting to the Corporate Bodies

On a half-yearly basis, the Supervisory Body sends the Board of Directors a written report detailing the findings of the checks carried out, any issues identified and the measures taken as a result.

Furthermore, the Supervisory Body holds regular meetings, generally on a monthly basis, with the company representative designated as the 231 Contact Person, also involving other relevant company representatives as and when necessary. *Reporting* covers, amongst other things, the verification of the mapping of risk areas, the adequacy of and compliance with the Model, the adoption of appropriate staff training initiatives, review meetings and regulatory updates.

The Supervisory Body also maintains ongoing contact, even outside the aforementioned meetings, with the company's 231 Contact Person.

## **7. Appointment of the organisation's defence counsel where the legal representative is under investigation or charged with the predicate offence**

Article 39(1) of Legislative Decree No. 231/2001 (*'Representation of the organisation'*) provides that *'the organisation shall participate in criminal proceedings through its legal representative, unless the latter is charged with the offence on which the administrative offence is based'*.


Case law is unequivocal in establishing a general and absolute prohibition on representation by the legal representative who is themselves under investigation or charged, justified by the suspicion that the appointment of a defence counsel for the investigated company could be *'potentially detrimental to the strategic choices of the entity's defence, which might find themselves on a collision course with the divergent defence strategies of the investigated legal representative'*.

Therefore, Cap Arreghini, in order to avoid the incompatibility provided for in Article 39 of Legislative Decree 231/2001 in the event that the company's legal representative is under investigation or charged with the predicate offence, has defined the procedures for appointing its defence counsel.

In particular, the appointment of the organisation's defence counsel, in the event of the Chairman of the Board of Directors being unable to do so or in a position of incompatibility, shall be the responsibility of the Board of Directors (with the person under investigation or charged abstaining) or, if this is not possible, the Shareholders' Meeting.

## **8. Whistleblowing**

On 29 December 2017, Law 179/2017 came into force, containing *"Provisions for the protection of persons reporting offences or irregularities of which they have become aware in the course of a public or private employment relationship"*, which, pursuant to Article 1, amended the aforementioned Article 54-bis and, at the same time, introduced into the private sector a new provision in Legislative Decree

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231/2001 – which governs the Organisation and Management Model and, more generally, the administrative liability of the entity for offences – concerning the submission and handling of reports.

Subsequently, Legislative Decree No. 24/2023, published in the Official Gazette on 15 March and in force from 30 March 2023, transposed EU Directive 2019/1937 on the “*Protection of persons reporting breaches of Union law*” and amended paragraph 2-*bis*, repealed paragraphs 2-*ter* and 2-*quater* of the aforementioned Article 6 of Decree 231, and repealed Article 3 of Law No. 179/2017.

More specifically, Legislative Decree No. 24/2023 has extended the scope of application of the *whistleblowing* regulations, broadening not only the range of entities required to comply with the legislation on the protection of whistleblowers, but also increasing the number of breaches that may be reported. Consequently, protection has been extended not only to whistleblowers, but also to so-called ‘*facilitators*’ – that is, those who assist ‘*a whistleblower in the reporting process within a workplace context and whose assistance must be kept confidential*’ – and to third parties connected to the whistleblowers, such as colleagues or family members, as well as to legal entities linked to the whistleblower.

Cap Arreghini has already implemented, in accordance with the statutory requirements, the ‘whistleblowing’ system provided for by Legislative Decree 24/2023.

The aforementioned whistleblowing system, which is to be regarded as an integral part of this Organisation, Management and Control Model pursuant to Legislative Decree 231/2001, has also been adopted with the aim of identifying and combating possible breaches of the Code of Ethics, the Organisation, Management and Control Model pursuant to Legislative Decree 231/2001 and the Policies and Procedures adopted by the Company, as well as other unlawful or irregular conduct that may undermine the integrity of the Organisation.


With a view to effectively achieving the objectives of the applicable regulations, and thus safeguarding the integrity of the Company and protecting the Whistleblower, the Person Responsible for Managing Reports is an individual external to the Company (namely the Supervisory Body – appointed pursuant to Article 6 of Legislative Decree 231/2001).

The Reporting Manager, for the purposes of managing the reporting process, has received specific training and meets the requirement of independence (pursuant to Article 4 of Legislative Decree 24/2023).

In accordance with the regulations, several channels have been established to enable reports to be made for the purpose of protecting the organisation. These reporting channels also guarantee the confidentiality of the whistleblower’s identity. Reports may be made in writing or orally, and may be brought to the attention of the administrator via specific confidential channels.

For a more detailed analysis, please refer to the Whistleblowing Policy attached to this Code.

Within 7 days of receiving a report, the Head of Reporting will acknowledge receipt and, having examined the reports received, will assess the investigations to be carried out, requesting information from the whistleblower and/or the person against whom the report is made; the decision to proceed with a thorough internal investigation or to close the case must be justified in writing.

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In any case, attention will also be paid to anonymous reports, provided they are adequately substantiated and set out in sufficient detail – that is, where they are capable of bringing facts and situations to light by relating them to specific contexts; after gathering information on the reported facts, the Reports Manager will assess whether or not to proceed with a further investigation.

All those covered by the Code are required to report the presence of situations within the organisation that are ‘at risk’ of constituting a criminal offence or other unlawful act. In particular, administrative, accounting, civil or criminal offences must be reported.

Mr Arreghini is fully aware that the implementation of mechanisms to protect whistleblowers from any reprisals acts as a strong incentive for the disclosure of illegal practices carried out within the organisation, which would otherwise remain hidden; consequently, the so-called whistleblower should be regarded as the person who helps to restore legality within their organisation.