

ELMA RESEARCH

S.R.L.

Organization, Management and Control Model

Pursuant to Article 6 of Leg. Decree 231/2001

Version 2 adopted by the Board of Directors on 05/22/2020

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GENERAL PART

1. Legislative Decree 231/2001

1.1 Introduction

Legislative Decree no. 231 of June 8, 2001 (hereinafter also “Legislative Decree 231/2001” or the “Decree”), on the “Discipline of the administrative responsibility of legal persons, companies and other associative structures, even without legal personality (so called “Entities”), pursuant to Article 11 of Law no. 300 of September 29, 2000, which introduced, for the first time in Italy, administrative liability of Entities for a crime committed, in addition to the liability of the natural person who materially committed the unlawful act.

This is a new and more extensive form of liability, which affects the entity for crimes committed, in its interest or to its advantage, by persons functionally linked to it (persons in executive positions and those subject to their direction and oversight).

The Decree provides that Entities may be held liable and consequently sanctioned, exclusively because of the commission of certain offenses (so-called “predicate offenses”), which are indicated peremptorily by law, even though the list is subject to changes and additions by the legislator.

The purpose of the Decree was to adapt domestic regulations on the liability of legal persons to certain international conventions to which Italy had already adhered for some time¹.

Therefore, the first fundamental criterion of imputation consists in the fact that the crime was committed in the interest or to the advantage of the entity. This means that the liability of the entity arises if the act was committed to benefit the entity, without any requirement for the effective and concrete achievement of the objective.

The entity shall not be liable if the offense was committed by one of the persons indicated above in the exclusive interest of that person or of third parties.

The second fundamental criterion of imputation is the type of individuals who committed the offense, from which the entity may incur administrative liability.

Indeed, these may be:

- persons in executive positions (such as, for example, the legal representative, CEO, general manager or those who exercise the management or control of the entity even on a *de facto* basis);
- subordinate persons, typically employees, but also persons external to the entity, who have been entrusted with a task to be performed under the direction and supervision of executive management.

If several persons contribute to the commission of the offense (Article 110 Italian Criminal Code), it is not necessary for the “qualified” person to directly commit the act: it is sufficient, however, that they make a conscious and causal contribution to the commission of the offense.

The liability provided for by the above Decree can also be applicable to offenses committed abroad by the entity, under the following conditions:

- the offense was committed by a person functionally linked to the entity: apical or subordinate, as illustrated above;
- the entity has its head office in Italy;
- the entity shall be liable only in the cases and under the conditions provided for by Articles 7, 8, 9 and 10 of the Italian Criminal Code. If the law provides that the guilty individual be punished at the request of the Minister of Justice, the entity will be prosecuted only if legal action is taken against the same entity;
- the entity shall be liable only if the State where the crime was committed does not proceed against it.

The entity’s administrative liability shall also arise if one of the offenses provided for in the Decree is committed even if only in the form of an attempted offense (Article 56 Italian Criminal Code).

¹ These include the Brussels Convention of July 26, 1995 on the protection of the financial interests of the European Communities, the Convention of May 26, 1997, also signed in Brussels, on the fight against corruption and the OECD Convention of December 17, 1997 on combating bribery of foreign public officials in economic and international transactions.

1.2 Sanctions applicable to the entity

The sanctions provided for the entity, as a result of the commission or attempted commission of the predicate offenses, are:

a) pecuniary sanction:

This is a sanction applicable to all offenses, determined through a system based on “units” ranging from a minimum of 100 to a maximum of 1,000 in number. Each unit has a minimum value of €258.23 and a maximum value of €1,549.37 (therefore the penalty can vary between a minimum of €25.83 and a maximum of €1,549.37, except for corporate offenses whose Pecuniary Sanctions shall be doubled pursuant to the provisions of Article 39 paragraph 5 of Law 262/2005 (for the protection of savings). The judge shall determine the number of units by taking into account the seriousness of the conduct, the degree of responsibility of the entity as well as the activity carried out to eliminate or mitigate the consequences of the act and to prevent the commission of further offenses. To ensure that the fine is effective, the unit amount is set based on the entity’s economic and financial situation.

The financial penalty will be reduced from one third to one half if, before the opening of the proceedings of first instance:

1. the entity has fully compensated for the damage and eliminated the harmful or hazardous consequences of the offense, or has in any case effectively taken action in this regard;
2. an Organizational Model that is suitable for preventing crimes of the type that have occurred has been adopted or made operational.

In addition, a reduction by half of the pecuniary sanction shall apply if:

1. the perpetrator of the offense committed the act for his or her own benefit or for that of a third party and the entity gained no advantage or gained only a minimum benefit from the offense;
2. the financial harm caused was negligible.

The fundamental guiding principle of the entire issue of the entity’s liability establishes that only the entity shall be liable for the payment of the fine imposed on it, using its assets or a common fund. The regulation, therefore, excludes that the shareholders or associates shall bear direct liability, regardless of the collective entity’s legal standing.

b) Interdictory sanctions

1. debarment from exercising activity;
2. suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
3. disqualification from contracting with the Public Administration;
4. exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted;
5. debarment from advertising goods or services.

Interdictory sanctions shall be imposed, together with financial sanctions, only if expressly provided for that type of offense, and only when at least one of these two conditions is met:

1. the company had committed a criminal offense previously (repetition of crimes);
2. the company made a significant profit from the crime.

c) Confiscation (and preventive seizure as a precautionary measure) of the profit and the price of the crime, also in equivalent form (i.e. by confiscating a sum of money, goods or other useful benefits of value corresponding to the price or profit of the offense);

d) Publication of the judgment, which may be ordered by the judge when an Interdictory sanction is levied against the entity;

e) Precautionary measures: the Public Prosecutor may request the application of Interdictory sanctions also as a precautionary measure, if:

1. there are serious indications of the entity’s responsibility;
2. there are well-founded and specific elements such that there is a real danger that crimes of the same type as those already committed may be committed in the future.

1.3 Predicate offenses

Below is a list of the offenses intended to implicate the administrative liability of entities, to which the regulations in question apply:

- a) **Offenses committed in relations with the Public Administration**
- b) **Corporate offenses and corruption among private individuals**
- c) **Financial offenses**
- d) **Offenses committed for purposes or terrorism or of subverting the democratic order as provided for by the Italian Criminal Code and the special laws**
- e) **Crimes against the persons**
- f) **Computer crimes and unlawful data processing**
- g) **Organized crime offenses**
- h) **Bribery, unlawful incitement to give or promise other benefits and corruption**
- i) **Counterfeiting, of legal tender, revenue stamps and crimes relating to distinctive signs**
- j) **Crimes against industry and commerce**
- k) **Market abuse offenses**
- l) **Crimes of negligent homicide or serious or grievous bodily harm committed in violation of workplace health and safety and accident prevention standards**
- m) **Receipt of stolen goods, money laundering, self-laundering and use of money, goods or benefits of illegal origin**
- n) **Crimes relating to the violation of copyright and other rights related to its exercise**
- o) **Incitement to not make statements or to make false statements to the judicial authorities**
- p) **Environmental offenses**
- q) **Employment of third-country nationals whose residency is undocumented**
- r) **Racism and xenophobia**
- s) **Transnational offenses.**

As better specified below, in the Special Parts of this document, only those predicate offenses that are theoretically conceivable for the company will be discussed.

1.4 Exemption from administrative liability: the Organization, Management and Control Model pursuant to Legislative Decree 231/2001

However, the Decree in introducing the aforementioned administrative liability regime provides for a specific form of exemption from said liability if the entity demonstrates that it has taken all the appropriate and necessary organizational measures to prevent the commission of offenses by persons working on its behalf. Therefore, the presence of adequate organization is a measure and signal of the entity's diligence in carrying out its business activities, with particular reference to those entailing a risk of committing the offenses provided for by the Decree. Hence, the ascertained existence of an efficient and effective organization excludes the "fault" of the entity, making the application of the envisaged sanctions to the entity unnecessary.

The Board of Directors is responsible for the adoption and effective implementation of the Organization, Management and Control Model, pursuant to Article 6, paragraph 1, letter a) and, according to the prevailing opinion, the establishment of the Supervisory Board as well as the appointment of its members, pursuant to letter b) below.

The Decree indicates who shall be the members of an effective and productive organizational hierarchy whose proper preparation will lead to the entity's responsibility being excluded. Specifically, the entity will be exempt from penalties if it can prove that:

- prior to the commission of the act, it had adopted and effectively implemented suitable organizational and management models (hereinafter the "Model") to prevent crimes of the type that occurred;
- it had entrusted the oversight of the functioning of and compliance with the Model and the task of its update to a body within the entity with independent powers of initiative and control (hereinafter the "Supervisory Board");
- those persons who committed the act did so by fraudulently evading the Model;
- oversight by the Supervisory Board had not been lacking or insufficient.

In addition, Article 6, second paragraph, also indicates the following characteristics of the Model's content, which shall:

- identify the activities within the scope of which there is the possibility that the offenses referred to in the Decree may be committed;
- provide for specific protocols aimed at planning the training and implementation of the entity's decision making in relation to those offenses to be prevented;
- identify procedures for financial resource management suitable for preventing the commission of such offenses;
- provide for reporting obligations to the Supervisory Board;
- introduce an internal disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

The same Decree provides that the Models, which are based on codes of conduct (also called guidelines) drawn up by trade associations, may be adopted to guarantee the above requirements.

Those guidelines shall then be communicated to the Ministry of Justice, which, in concert with the competent Ministries, shall have 30 days to comment on the suitability of the Models drawn up in accordance with the trade association guidelines.

2. Adoption of the Model by Elma Research S.r.l.

2.1 Objectives pursued with the adoption of the Model by Elma Research S.r.l.

Elma Research S.r.l. (hereinafter also referred to as "Elma Research" or the "Company") works in market research and conducts opinion polls, especially in the fields of medicine and pharmaceuticals as well as on general health issues.

The Company applies and develops a complete spectrum of qualitative and quantitative research methods and survey techniques, from the traditional to the most innovative, both in Italy and abroad, where it works together with other independent institutes selected for their expertise in the medical and pharmaceutical area and their membership in international research organizations (ESOMAR, EphMRA) where Elma Research is also a member.

Elma Research, sensitive to the need to ensure conditions of fairness and transparency in the conduct of business and corporate activities, to protect its position and image and its employees' expectations, has deemed the implementation of the Model provided for in the Decree to be in compliance with its own corporate policies.

This initiative was taken in the belief that adoption of the Model, aside from the Decree's provisions, which indicate that the Model is optional and not compulsory, can be a valid tool for raising awareness among all those who are employed in the name and on behalf of the Company. That way, while doing their jobs, their conduct will be more likely to prevent the risk of committing those offenses set forth in the Decree. The Model was drawn up by the Company bearing in mind both the provisions of the Decree and the trade association guidelines on these issues.

Still, in implementation of the Decree's provisions, when the Board of Directors adopted the Model, it entrusted a Supervisory Board (hereinafter the "Supervisory Board" or the "SB") with the duty of assuming the functions of an oversight body tasked with supervising the Model's employment, effectiveness and compliance, as well as its update.

2.2 Elma Research's corporate governance system

Elma Research's corporate governance model is structured to ensure top operational efficiency for the Company while guaranteeing its maximum effectiveness.

This system has been arranged traditionally.

- The Shareholders' Meeting: its remit, in ordinary and extraordinary session, is to resolve on matters reserved to it by law or by the Articles of Association.
- Governing body: The Board of Directors is vested with all powers for the ordinary and extraordinary management of the company. The Board of Directors, within the limits provided for by Article 2381 Italian Civil Code, may delegate all or a part of its management powers to one or more individual directors, possibly assigning them the title of "Managing Director" for the purposes of the general representation of the Company. When the directors comprise the Board of Directors, the general representation of the company is the responsibility of the CEO and the managing directors. Currently there are two managing directors who have been appointed for an indefinite period of time.
- The Managing Directors have the general representation of the company before third parties and in court.

- The Board of Statutory Auditors, when appointed, is responsible for auditing the accounts pursuant to Article 2409 Italian Civil Code.

2.3 System of delegations and powers of attorney adopted by the Company

Company policy provides that only persons with formal and specific powers may make commitments to third parties in the name and on behalf of the Company. Therefore, the Company has adopted a system of delegations and powers of attorney consistent with the assigned organizational responsibilities, which imply an actual need for representation and with the provision, when appropriate, of a precise indication of quantitative expenditure thresholds established by internal corporate measures.

Corporate delegations are normally understood as two distinct concepts:

1. Directors' delegations

The Board of Directors may delegate its powers to one or more directors (who become Managing Directors or proxies). If the delegated powers are approved by the Board of Directors, the minutes of the Board of Directors meeting are to be filed with the Chamber of Commerce so the contents of the delegations can be made known to third parties.

2. Functional delegations in the Company

Functional delegations comprise the structure of powers within the company. With functional delegations, internal organizational powers are distributed by the Board of Directors and/or the Managing Director(s) throughout the corporate structure. Functional delegations do not imply “acting on behalf of the Company” in any manner.

3. Powers of Attorney

When the conclusion of a deed involves “acting on behalf of the name” of the Company (i.e. that the deed has effect outside the Company), the delegated power, if not in the hands of a director, must be conferred by power of attorney. The power of attorney is therefore the instrument used to confer the powers to perform acts externally on employees or third parties, who are not directors. For the powers conferred to be enforceable against third parties, the power of attorney must be “notarized” and filed with the Chamber of Commerce. Failing this, the company cannot deny the third party any limitation of powers: in this case, the power of attorney could commit the company without limits.

Now, therefore, in general terms, the system of functional delegations and powers of attorney adopted by the Company ensures that:

- the exercise of powers within a decision-making process shall be carried out by positions of responsibility commensurate with the importance and/or criticality of certain economic operations;
- the persons who carry out the activities subject to the exercise of powers shall participate in the decision-making process;
- the powers and responsibilities shall be clearly defined, consistent with each other and known within the corporate organization;
- the Company shall be validly committed to third parties (e.g. customers, insurance companies, banks, suppliers, public administrations, etc.) by a specific and limited number of persons with formalized delegations, appropriately communicated to the outside world, where the relevant powers have been specifically indicated;
- the mapping of the parties (including non-employees) who have been granted the power to commit the Company to third parties shall be updated regularly.

The business units concerned, with the support of the Supervisory Board, shall periodically check the system of delegations and powers of attorney in force. This will also be done by examining the documentation attesting to the activities actually implemented by the persons working on behalf of the Company and by suggesting any necessary changes if the management and/or qualification functions do not correspond to the powers of representation conferred.

3. Function of the Model

3.1 The Elma Research Model

The purpose of the Model is to build a structured and organic system of procedures and control activities, aimed at preventing the commission of the various types of offenses set forth in the Decree.

Especially through the identification of the areas of activity at risk and the consequent manner in which these activities are carried out, the Model aims to achieve the following objectives:

- determine, in all those who work in the name and on behalf of Elma Research in the “areas of activity at risk”, the awareness that they may commit, in the event of violation of the provisions set out therein, an offense punishable by sanctions on the part of the company as provided for in Chapter 6;
- reiterate that such forms of unlawful conduct are strongly condemned by Elma Research because they are contrary not only to the law, but also to the social and ethical principles that the Company intends to abide by when doing business and which are set forth in the Code of Ethics it has adopted;
- allow the Company, thanks to monitoring “areas of activity at risk”, to intervene promptly to prevent or contrast the commission of the crimes themselves.

In addition to the principles already indicated, the cornerstones of the Model are:

- the activity of awareness raising and dissemination at all corporate levels of the established rules of conduct and procedures;
- the “mapping of the areas of activity at risk” at the Company, i.e. those activities where the likelihood of crimes being committed is considered the highest;
- the assignment of specific oversight duties to the Supervisory Board for the effective and correct functioning of the Model;
- the verification and documentation of at-risk operations;
- compliance with the principle of separation of functions;
- the definition of powers of authorization consistent with assigned responsibilities;
- the verification of the company's conduct, as well as the functioning of the Model with consequent periodic updating.

3.2 Model preparatory activities

As suggested by the main trade association guidelines, for the preparation of the Model, specific mapping of the Company's activities was carried out, aimed at identifying the areas at risk of the Company in relation to the offenses referred to in the regulations in question. This was undertaken mainly in three phases through the analysis of corporate documentation already prepared by the Company over a given period of time:

1. the first phase was carried out based on the Company's knowledge of the areas of risk. The analysis activities were completed by qualified internal staff with the support of external consultants.
2. The second phase took the form of a meeting with the directors, still initiated by the same qualified personnel (since no directors or department heads were present in the company) and the assigned consultants, to verify the existence of the areas of risk already highlighted, as well as any other areas of risk not yet considered;
3. at the end of the third phase, the control systems already in place within the Company to monitor the areas considered at risk of offenses were identified and compared with the Decree's organizational requirements, also in order to proceed with this revision of the Model.

3.3 Approval of the Model and its implementation

The Elma Research Board of Directors was assigned, also based on criteria and directives issued in this regard, to adopt its own Model, based on those risk profiles that are classifiable among the Company's activities.

At the same time, it was adopting the Model, the Company Board of Directors also appointed its own Supervisory Board, responsible for overseeing the performance of the above activities as well as the Model's application.

It is the Company's responsibility to prepare, adopt and update the Model in relation to the adaptation requirements that will be determined over time.

In particular, the Elma Research Board of Directors was assigned, also upon proposal by the Supervisory Board, to supplement this Model, where necessary, by means of a specific resolution, which would add the predicate offenses as provided for by current applicable legislation from time to time.

It is also the Board of Directors' responsibility to apply the Model in relation to the activities it has actually undertaken. To this end, the SB has been given the primary task of exercising controls on the implementation of the Model according to the procedures described therein.

3.4 Structure of the Model: General Part and Special Part concerning the different types of offenses

This Model comprises a “General Part” and a “Special Part”, prepared for the different types of offenses set forth in the Decree and considered, as a result of the risk assessment performed, abstractly conceivable in the Company. It should also be pointed out that the introduction of certain offenses is purely prudential since, although there are no specific elements from which the existence of such current risks might be deduced, these are offenses the Company intends to give a high level of attention in any event.

The Special Part consists of several categories of offenses grouped as follows:

- Special Part “A” on offenses against the Public Administration;
- Special Part “B” on corporate offenses;
- Special Part “C” on occupational health and safety offenses;
- Special Part “D” on environmental offenses;
- Special Part “E” on money laundering offenses.

4. Supervisory Board

4.1 Identification of the Supervisory Board

In implementation of the provisions of the Decree, which sets out that a body of the entity shall be entrusted with supervising the functioning of and compliance with the Model as a condition for granting the exemption from administrative liability, a collegial Supervisory Board has been identified within Elma Research. This Board consists of one standing board member chosen from among the professionals with experience in legal and environmental economics and two Company employees whose functions and specializations make them suitable for the assignment.

The Supervisory Board shall meet the following requirements:

1. **Autonomy:** the SB must be autonomous in its decision-making. This qualifies as being vested with essential freedom of self-determination and action, with complete exercise of technical discretion in the performance of its functions;
2. **Independence from the Company:** the SB must be free from any influence dependent on restraints based on subjection to upper management. It must be a third-party body, in a position of independence, also within the Company hierarchy, capable of adopting autonomous measures and initiatives;
3. **Professionalism:** whether considering its individual members or as a body, the SB must be professionally capable and reliable. As a body, the SB must possess the technical awareness and professionalism required to perform the functions assigned to it in the best manner possible;
4. **Continuity of action:** the SB shall perform the functions assigned to it on an ongoing basis, though not exclusively;
5. **Honorability and no conflicts of interest:** whoever meets the conditions listed below shall be ineligible for appointment as a member of the Supervisory Board and/or if appropriate, shall be removed from office:
 - whoever has been debarred, interdicted or bankrupt or whoever has in any case been convicted of one of the offenses provided for by the Decree or, in any case, sentenced to one of the penalties involving disqualification, even temporary, from public office or the interdiction from exercising executive offices;
 - whoever has had business relationships (for example, partnerships, profit sharing agreements, joint ventures, etc.) with the Company or companies controlled by it or controlling it and/or any other relationship such as to compromise his or her independence.

Nevertheless, if a member of the Supervisory Board has an interest in a resolution on his or her own behalf or on behalf of third parties, that member must inform the other members of the SB, specifying the nature, terms, origin and scope of the interest. The other members will then decide whether the person concerned should abstain from voting on the resolution.

The Elma Research Board of Directors shall appoint the standing and alternate members who shall remain in office for three years.

The Supervisory Board is entitled to be assisted in its control functions by external parties who perform professional audit and certification services.

The Supervisory Board is also entitled to elect a Chairperson from among its members if one has not been appointed by the Board of Directors.

The Chairperson shall coordinate the Supervisory Board’s work and ensure that all members receive adequate information on the items on the agenda.

4.2 Procedures for convening and holding Supervisory Board meetings

The Supervisory Board shall meet whenever the Chairperson or one of its members deems it appropriate, or when requested by the Board of Directors or the Board of Statutory Auditors, and in any case at least every 6 months.

Supervisory Board meetings will be held at the place designated in the convocation notice, which will contain the date, time and place of the meeting and the list of items on the agenda. The convocation notice, to be sent to each member of the Board (by ordinary or electronic mail, telegram, fax or by hand), must be sent at least three days before the date set for the meeting or, in case of urgency, at least one day before.

Supervisory Board meetings may also be held by audio and/or video-conference, provided that all participants can be identified, are allowed to listen to and take part in the discussion and to vote.

Supervisory Board decisions on the topics under examination can be adopted by written consultation or by express written consent.

These resolutions, as well as the reports relating to the verifications made directly by the Supervisory Board or through external collaborators, will be transcribed in the SB's Book of Meetings filed at the Company's offices.

4.3 Functions and powers of the Supervisory Board

The Elma Research Supervisory Board is entrusted with the task of overseeing:

- compliance with the Model's provisions by its recipients, specifically identified in the individual Special Parts in relation to the different types of offenses set forth in the Decree;
- the Model's real effectiveness and effective capacity, in relation to the corporate structure, to prevent the commission of the offenses referred to in the Decree;
- the advisability of updating the Model, where there is a need to adapt it to changed company conditions.

Operationally, the Supervisory Board is entrusted with the tasks below:

- the SB will activate the oversight procedures, bearing in mind that the primary responsibility for the control of activities, including those concerning those areas of activity at risk, remains in any case with the operational management and forms an integral part of the corporate process, which confirms the importance of a staff training process;
- it will conduct reconnaissance of the company's activities to update the mapping of the areas of activity at risk within company operations;
- it will periodically carry out targeted checks on specific operations or specific acts carried out among the areas of activity at risk as defined in the Model's individual Special Parts;
- it will promote suitable initiatives for the dissemination of knowledge and understanding of the Model and it will prepare the internal organizational documentation containing instructions, clarifications or updates, necessary for the Model to function;
- it will collect, process and store information (including the reports referred to in paragraph 4.5 below) relevant to compliance with the Model. It will also update the list of information that must be obligatorily transmitted to the same SB (see paragraph 4.5 below) or kept at its disposal;
- it will coordinate with the other Company departments (also through specific meetings) to best monitor activities in areas at risk. To this end, the SB is to be kept constantly informed about the evolution of activities in the above risk areas and shall have free access to all relevant company documentation. Management must also report to the SB if any situations in the company's activities expose the company to the risk of a crime being committed;
- it will check that the documentation required in accordance with the provisions of the Model's individual Special Parts concerning the various types of offenses is actually present, kept properly and effective. In particular, the SB must be notified of the most significant activities or operations covered in the Special Parts, and the documentation update data must be made available to it in order to allow oversight to be carried out;
- it will conduct the internal investigations to ascertain any alleged violations of this Model's provisions;
- it will verify that the elements provided for by the Model's individual Special Parts for the different types of offenses (adoption of standard clauses, performance of procedures, etc.) are in any case adequate and meet the requirements of compliance with the provisions of the Decree, providing, otherwise, for an update of those elements requiring one;
- it will coordinate the different aspects relating to the implementation of the Model (definition of standard clauses, staff training, disciplinary measures, etc.) with the heads of other corporate departments.

4.4 Supervisory Board Functions: autonomy with regard to corporate bodies

The Elma Research Supervisory Board is independent from corporate bodies and free from any constraints of hierarchical subordination. Nevertheless, the Company's CEO, Managing Directors, the Board of Directors and/or the Board of Statutory Auditors are the Supervisory Board's regular contacts.

The Company SB may be called by the aforementioned organs at any time. Or the SB may in turn submit a request to contact those organs to report on the Model's function or on specific situations.

Each year, the SB shall also send the Board of Directors a written report on the activities it has carried out and on the implementation of the Model.

The SB has appropriate spending autonomy: any extraordinary expenses, or in any case, if an amount greater than €1,000 (one thousand/00 euro) is required, the request will be submitted to the Board of Directors for approval.

4.5 Information flows to the Supervisory Board

All Model recipients should promptly report any information regarding the existence of possible violations of the Model to the Elma Research Supervisory Board. Specifically, recipients are to report any information on the commission or possible commission of offenses or deviations from the standards of behavior detailed in the Model.

In any event, the following information is to be communicated to the SB:

a) any information that may relate to potential violations of the Model, including, but not limited to:

- any offers or requests of money, gifts (exceeding a modest value) or other benefits coming from or intended for public officials or persons in charge of a public service;
- any measures and/or information coming from law enforcement agencies or from any other authorities, who investigate crimes, even if the perpetrators are unknown, if such investigations involve the Company and/or its corporate officers and/or its employees;
- any requests for legal assistance made by company representatives in the event of the initiation of legal proceedings for applicable crimes;
- any information on penalty proceedings carried out by Public Authorities and any measures imposed (including measures against company representatives) or the dismissal of such proceedings with the relevant grounds, if linked to the commission of offenses or violation of the Model's rules of conduct or procedures;
- any expense anomalies that emerge from requests for authorization;
- any omissions or negligence in keeping the ledgers on which the accounting records are based;
- any reports, not promptly acknowledged by the competent departments, concerning deficiencies or inadequacies of workplaces, equipment or personal protective equipment made available by the Company, or any other hazardous situation concerning workplace health and safety.

b) Any information pertaining to the SB's duties, which may be relevant to the performance of its functions, such as, for example:

- information on organizational changes in the Company;
- reports on those activities that are or may be considered relevant to Company areas at risk, prepared by the different departments;
- the annual financial statements, with its notes and the Company's financial position;
- reports on critical issues that have emerged from the Board of Statutory Auditors, even though resolved.

In order not to incur any retaliation or discrimination of any kind, the SB shall protect the confidentiality of those persons who intend to make reports. In this regard, to facilitate reporting, any recipient of the Model may send such communications to the Supervisory Board's email address, organismodivigilanza@elmaresearch.com

Reports shall be kept at the SB's office.

4.6 How the Supervisory Board works

The SB programs its periodic oversight activities according to the Company's activity status and the information in its possession.

The program, which indicates what areas and functions it intends to audit and against which criteria and by what date these activities must be completed, is approved by the SB at its meetings. Audits can be entrusted to SB members or assigned by the SB to external consultants.

At the end of each audit, a report is to be drawn up that illustrates the activity undertaken and the findings.

Among the findings the following must be indicated:

- the Company areas audited and any other useful information;
- the level of compliance or any critical issues found with respect to the audit criteria;
- references to the control documents;
- any recommendations;
- any other information deemed appropriate for the best assessment of the audited activity.

Audit findings will be reviewed during the SB's next meeting. If deemed appropriate, the SB may delve deeper into audits, also by assigning external consultants. Or it may request the intervention of the Company Board of Directors to restore the risk levels to those deemed more acceptable.

The recommendations of the SB must find prompt compliance from the departments concerned. It is the Board of Directors' duty to verify that those recommendations have been actually implemented.

The Supervisory Board will review the minutes of the Board of Statutory Auditors' meetings, request periodic meetings with the Auditors to share control strategies and will then send its findings to the latter Board.

Whenever the Company appoints an external party to professionally undertake certification activities on aspects of the Company's activities falling within the SB's remit, this party shall prepare a report containing all the indications listed above. The report must be sent to the SB within a clearly specified date so that it will have sufficient time to closely examine these reports and their findings.

5 Selection, training and briefing

5.1 Staff selection and conflicts of interest

The selection and management of staff and external contractors (consultants, partners, suppliers, etc.) must meet the criteria of reasonableness, professionalism, integrity, fairness and transparency, according to the Company's requirements as concerns the application of the Decree.

Employee conduct, both inside and outside Elma Research, is fundamental to the Company's long-term success and should reflect its general principles as far as it possibly can.

Private and personal interests should never influence business relationships or decisions, which should be based solely on commercial and ethical considerations. Any potential conflict of interest should be addressed openly so that Elma Research, its business partners and employees and third parties are protected. This communication should avoid any suspicion of possible dishonesty or indiscretion whatsoever.

Upper management, executives, employees and, in general, all those who work in the name of or on behalf of Elma Research, must avoid any situation that might possibly harbor a conflict of interest. This includes any overlap between personal or family business activities or any duties or roles held in the Company that could prejudice one's independence of judgment and choice.

5.2 Staff training

Staff training is fundamental for the complete and effective implementation of the Model. Therefore, the Supervisory Board, in concert with the Administrative Director, shall draw up and implement training programs that also provide for different types of instruction depending on the position of staff in the Company, or the relevance of their respective duties to one of the risk areas indicated in the Model.

5.3 Dissemination of the contents of the Model

Once the Model has been approved and/or modified by the Board of Directors, it will be sent by email to all employees, who will then be required to comply with the document.

A copy of the Model document, signed by all employees who received it, will also be kept on file in the Company. Employees may request a new copy as needed.

The same applies to all newly hired staff.

From time to time, the procedures for disseminating the Model to other parties required to comply with its contents will be defined.

5.4 Information Notice for external contractors

The Company will inform all external contractors of the adoption of the Organizational Model: they will be required to comply with the Model during their collaboration. Contractual documents will be updated accordingly.

6. Disciplinary system and measures in case of non-compliance with the Model's provisions

6.1 General principles

The preparation of an appropriate system of sanctions for the violation of the Model's requirements is an essential condition to ensure the Model's effectiveness and to keep the SB's oversight action efficient.

In fact, Article 6 paragraph 2, letter e) of the Decree provides that organization and management models are to *"introduce a disciplinary system suitable for sanctioning failure to comply with the measures indicated in the model"*.

The application of disciplinary sanctions does not depend on the outcome of any criminal proceedings, since the Company adopted the rules of conduct imposed by the Model autonomously and regardless of the type of offense that violations of the Model may lead to.

The disciplinary system, as provided for by Article 7 paragraph 1, Law 300/1970 ("Workers' Statute"), will be posted on the Company bulletin board.

The ascertainment of violations may also be initiated at the discretion of the SB, having become aware of a possible violation of the Model during its oversight activities.

The Personnel Department shall be responsible for the imposition of sanctions against executives, clerical staff and other employees.

In addition, to acquire possibly useful elements for the regular update of the Model, the SB may be called upon to perform an advisory function during the entire disciplinary procedure. The ascertainment of any responsibilities arising from the violation of the Model and the attribution of the resulting sanction shall be conducted in compliance with current applicable legislation, while protecting the privacy, dignity and reputation of the persons involved.

The disciplinary system will be constantly monitored by the SB and the Personnel Department.

6.2 Sanctions for employees and measures against Directors and external contractors

Employee misconduct, in violation of the Model's single rules of conduct have been defined as disciplinary offenses.

The sanctions that can be imposed on these employees remain within those provided for by Law 300/1970 and the provisions of the current applicable National Collective Bargaining Agreement.

The Model actually refers to categories of sanctionable acts as provided for by the above-mentioned disciplinary regime. These categories describe the types of conduct sanctioned, depending on the significance of the individual cases considered, and the sanctions actually provided for in response to the commission of those acts, according to their seriousness.

Specifically, it is provided that:

1. the penalties of ORAL REPRIMAND, WRITTEN WARNING OR A FINE (which shall not exceed 4 hours of normal remuneration pursuant to Article 123 of the National Collective Bargaining Agreement) OR SUSPENSION FROM WORK WITHOUT PAY (for no more than 10 days) shall be incurred, according to the seriousness of the violation. An employee who violates the internal procedures provided for in this Model or conducts himself or herself during the performance of his or her duties, in a manner

not in compliance with the Model's provisions, shall be considered in violation of their employment contract in that such conduct has been deemed to be detrimental to the discipline and morals of the company;

2. the penalty of SUMMARY DISMISSAL shall be applied to an employee who, in the performance of his or her duties, has engaged in conduct that is clearly in violation of the provisions of this Model, which will bring about the concrete application of penalties against the Company, as provided for by the Decree. This because such conduct is deemed to have been the commission of "criminal acts under the law" or "acts that have radically undermined the Company's trust in the employee", or the recurrence of the misconduct referred to in the previous points, being the cause of serious moral and/or material harm to the Company.

When the sanctions of the type and degree referred to above are imposed on employees, the principle of proportionality shall be applied as provided for by Article 2106 Italian Civil Code, in that for each case, consideration must be given to following:

- the degree of intentionality and of reiteration of the conduct, the degree of negligence, imprudence or inexperience also with regard to the predictability of the event;
- the objective seriousness of the conduct constituting a disciplinary infraction;
- the employee's overall conduct with particular regard to the existence or otherwise of previous offenses, as provided for by law;
- the employee's duties;
- the departmental positions of the persons involved in the acts constituting the offense;
- any other special circumstances that accompany the disciplinary infraction.

By way of example, though not comprehensive, the following behaviors, constitute disciplinary infractions:

- the violation of the principles and procedures provided for by this Model or established for its implementation, even with omissive conduct and the possible participation of others;
- the drafting, with the possible participation of others, of false documentation;
- the facilitation, through omissive conduct, of the drafting of false documentation by others;
- the failure to draft the documentation required by this Model or by the procedures established for its implementation;
- the removal, destruction or alteration of the documentation on the procedure for evading the system of controls provided for by the Model;
- obstruction of the SB's oversight activity or of the persons it avails itself of;
- impeding access to information and documentation required by the persons assigned to overseeing procedures and decisions;
- the employment of any other conduct suitable for circumventing the oversight system provided for by the Model.

6.3 Measures against Directors

The Company takes great care in the assessment of infractions of this Model committed by those who represent the Company's upper management, whose image is therefore an example for employees, creditors and the public. The teaching and consolidation of Company ethics sensitive to the values of fairness and transparency presupposes, first and foremost, that these values be acquired and complied with by those who guide the Company's choices, thus setting an example and encouraging all those who, at whatever level, work for the Company.

If directors violate the internal procedures and principles of conduct provided for in this Model and/or adopt, in the exercise of their duties, measures that are in conflict with the Model's provisions or principles, the SB shall promptly inform all members of the Board of Directors and the Board of Statutory Auditors (where present). The latter Boards, depending on their respective responsibilities, will take the most appropriate and adequate initiatives consistent with the seriousness of the violation and in accordance with their powers as provided for by law and/or the Articles of Association (e.g. statements in the minutes of the meetings, convocation of the Shareholders' Meeting to deliberate on measures against the persons responsible for the violation, including the revocation of the appointment of director and the possible adoption of liability actions as provided for by law, etc.).

6.4 Measures against external contractors and partners

Any infraction of the conduct indicated in this Model by external contractors or partners that entails the risk of the commission of an offense sanctioned by the Decree may, through the activation of appropriate clauses, result in the termination of the contractual relationship.

The Administrative Management, with the cooperation of the SB, will provide the drafting, updating and inclusion of these specific contractual clauses in the letters of appointment or partnership agreements, which will also provide for any future claims for damages arising from the application by a judge of the measures provided for by the Decree.

6.5 Measures in case of the violation of Supervisory Board reporting requirements

Any conduct that violates the obligation to provide information to the SB will be sanctioned pursuant to the provisions of points 6.2 and 6.3 above.

7. Areas of risk

See the Special Part where the areas considered at risk are identified and listed.

SPECIAL PART

Special Part Function

The purpose of this Special Part is to ensure that all Model recipients (e.g., employees, managers, directors, liquidators, consultants, suppliers, external contractors, Company partners, etc. and, in general, all those required to comply with this Model - hereinafter the "Recipients") adopt rules of conduct that comply with these requirements to prevent the commission of the offenses considered herein.

In particular, the function of the Special Part is to:

- a. identify the types of offenses and the areas of risk in the Company and then develop the procedures to prevent them from occurring
- b. describe the general and specific procedural principles that the Recipients must comply with for the proper application of the Model;
- c. provide the SB with the executive tools to perform the oversight activities envisaged by the Model.

1. Offenses against the Public Administration

1.1 Types of offenses against the Public Administration regulated in Legislative Decree 231/2001

In doing business, companies may come into contact with the Public Administration. This category includes companies that participate in tenders or bidding procedures, obtain authorizations, concessions, licenses, participate in procedures to receive public funding or those that provide services or do works directly for the Public Administration.

- **Embezzlement against the State or the European Union (Article 316-bis Italian Criminal Code):** "Whoever, outside of the Public Administration, having obtained grants, subsidies or financing intended to favor initiatives aimed at the realization of works or the performance of services of public interest from the State or from another public agency, does not allocate that funding to the aforementioned purposes, shall be punished with imprisonment of between six months and four years". Pecuniary Sanctions per Legislative Decree 231/01: From 100 to 500 units, increased by from 200 to 600 units if the entity made a significant profit or serious harm was incurred. Interdictory Sanctions per Legislative Decree 231/01: 1) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 2) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 3) debarment from advertising goods or services for a period between three months and two years.
- **Misappropriation of funds against the State or the European Union (Article 316-ter Italian Criminal Code):** "Unless the act constitutes the crime set forth in Article 640-bis, whoever, by using or submitting false statements or documents or by omitting required information, unduly obtains, for themselves or for others, grants, loans, subsidized mortgages or other funding of the same type, however named, granted or disbursed by the State, other public agencies or by the European Union, shall be punished with imprisonment of between six months and three years. When the amount unduly received is equal to or less than €3,999.96 only an administrative sanction with a fine between €5,164 and €25,822 shall be applied. In any case, this sanction shall not exceed a value three times the benefit obtained". Pecuniary Sanctions per Legislative Decree 231/01: From 100 to 500 units, increased by from 200 to 600 units if the entity made a significant profit or serious harm was incurred. Interdictory Sanctions per Legislative Decree 231/01: 1) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 2) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 3) debarment from advertising goods or services for a period from three months to two years.
- **Bribery (Article 317 Italian Criminal Code):** "A public official or a person in charge of a public service who, by abusing his or her position or powers, compels or induces someone to give or unduly promise money or other benefits to him or her or to a third party, shall be punished with imprisonment of between four and twelve years". Pecuniary Sanctions per Legislative Decree 231/01: from 300 to 800 units. Interdictory Sanctions per Legislative Decree 231/01: 1) debarment from exercising activity, 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense, 3) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 4) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 5) debarment from advertising goods or services.

- **Bribery of a public official with intent to influence an official act (Article 318 Italian Criminal Code):** “A public official who, in order to perform an official act, receives, money or other benefits, or remuneration that is not due to him or her or accepts the promise thereof for himself, for herself or for a third party, shall be punished with imprisonment of between six months and three years. If the public official receives remuneration for an official act he or she has already performed, the penalty shall be imprisonment for up to one year”. Pecuniary Sanctions per Legislative Decree 231/01: from 100 to 200 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Bribery of a public official with intent to omit an official act (Article 319 Italian Criminal Code):** “A public official who receives money or other benefits for himself, for herself or for a third party, or accepts the promise thereof in order to omit or delay or for having omitted or delayed an official act, or for performing or having performed an official act in contrast with his or her official duties shall be punished with imprisonment of between two and five years”. Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 600 units. Interdictory Sanctions per Legislative Decree 231/01: 1) debarment from exercising activity, 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense, 3) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 4) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 5) debarment from advertising goods or services. All for a period of not less than one year.
- **Aggravating circumstances (Article 319-bis Italian Criminal Code):** “The penalty is increased if the act cited in Article 319 has as its object the conferment of public employment or salaries or pensions or the execution of contracts in which the administration to which the public official belongs is involved”. Pecuniary Sanctions per Legislative Decree 231/01: from 300 to 800 units. Interdictory Sanctions per Legislative Decree 231/01: 1) debarment from exercising activity, 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense, 3) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 4) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 5) debarment from advertising goods or services. All for a period of not less than one year.
- **Corruption in judicial proceedings (Article 319-ter Italian Criminal Code):** “If the acts indicated in Articles 318 and 319 were committed to favor or damage a party in a civil, criminal or administrative trial, the penalty shall be imprisonment of between three and eight years. If the result of the act is the unjust conviction of a person to imprisonment of no more than five years, the penalty shall be imprisoned for between four and twelve years. If the result of the offense is the unjust conviction of a person to imprisonment of more than five years or life imprisonment, the penalty shall be imprisonment of between six and twenty years”. Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 600 units (paragraph 1), from 300 to 800 quote (paragraph 2). Interdictory Sanctions per Legislative Decree 231/01: 1) debarment from exercising activity, 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense, 3) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 4) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 5) debarment from advertising goods or services. All for a period of not less than one year.
- **Bribery of a person in charge of a public service (Article 320 Italian Criminal Code):** The provisions of Article 319 also apply if the act is committed by a person in charge of a public service. The provisions of Article 318 also apply to the person in charge of a public service, if he or she is a public employee. In any case, the penalties are reduced by no more than one third. Pecuniary Sanctions per Legislative Decree 231/01: The same Pecuniary Sanctions have been provided for the crimes referred to in Articles 318 and 319 Italian Criminal Code. Interdictory Sanctions per Legislative Decree 231/01: 1) debarment from exercising activity, 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense, 3) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 4) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 5) debarment from advertising goods or services. All for a period of not less than one year.
- **Penalties for active bribery (Article 321 Italian Criminal Code):** “The penalties established in the first paragraph of Article 318, Article 319, Article 319-bis, Article 319-ter and Article 320 concerning the aforementioned offenses pursuant to Articles 318 and 319, also apply to those who give or promise to give money or other benefit to a public official or to a person in charge of a public service”. Pecuniary Sanctions per Legislative Decree 231/01: in the case of offenses pursuant to Article 381 Italian Code of Criminal Procedure from 100 to 200 units, in the case of offenses pursuant to Articles 319 and 319-ter Italian Criminal Code from 200 to 600 units. In the case of offenses pursuant to Articles 319-bis and 319-ter, paragraph 2 Italian Criminal Code from 300 to 800 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Incitement to corruption (Article 322 Italian Criminal Code):** “Whoever offers or promises money or other undue benefits to a public official or a person in charge of a public service, to induce him or her to exercise an act of his or her office, if the offer

or promise is not accepted, shall be subject to the penalty established in the first paragraph of Article 318, reduced by one third. If the offer or promise is made to induce a public official or a person in charge of a public service to omit or delay an act of his office, or to do an act contrary to his duties, if the offer or promise is not accepted, the guilty party shall be subject to the penalty established in Article 319, reduced by one third. The penalty referred to in the first paragraph applies to a public official or a person in charge of a public service who acts as a public employee, who solicits a promise to give or who gives money or other benefits from a private individual for the purposes indicated in Article 318. The penalty referred to in the second paragraph applies to a public official or a person in charge of a public service who solicits a promise to give or who gives money or other benefits from a private individual for the purposes indicated in Article 319.” Pecuniary Sanctions per Legislative Decree 231/01: in the case of offenses pursuant to Article 381 Italian Code of Criminal Procedure from 100 to 200 units; in the case of offenses pursuant to Articles 319 and 319-ter Italian Criminal Code from 200 to 600 units; in the case of offenses pursuant to Article 319-bis and 319-ter paragraph 2, from 300 to 800 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.

- **Fraud (Article 640 Italian Criminal Code):** “Whoever, with contrived or fraudulent acts, inducing another person in error, procures for himself or herself or for others an unjust profit to the detriment of others, shall be punished with imprisonment of between six months and three years and with a fine ranging from €51 to €1,032. The penalty shall be imprisonment of between one and five years and a fine from €309 to €1,549 if: 1. if the act is committed to the detriment of the State or other public entity or under the pretext of having someone exempted from military service; 2. if the act is committed by creating in the victim the fear of an imaginary danger or the erroneous conviction that he or she must carry out an order from an authority. The crime shall be punishable upon complaint lodged by the injured party, unless some of the circumstances provided for in the previous paragraph or another aggravating circumstance applies.” Pecuniary Sanctions per Legislative Decree 231/ 01: From 100 to 500 units increased by from 200 to 600 units if the entity made a significant profit or serious harm was incurred. Interdictory Sanctions per Legislative Decree 231/01: 1) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 2) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 3) debarment from advertising goods or services. For a period from three months to two years.
- **Aggravated fraud to obtain public funding (Article 640-bis of the Italian Criminal Code):** “The penalty shall be imprisonment of between one and six years and is ex officio if the act referred to in Article 640 concerns contributions, loans, subsidized loans or other funds of the same type, however named, granted or disbursed by the State, other public entities or the European Communities.” Pecuniary Sanctions per Legislative Decree 231/ 01: From 100 to 500 units increased by from 200 to 600 units if the entity made a significant profit or serious harm was incurred. Interdictory Sanctions per Legislative Decree 231/01: 1) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 2) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 3) debarment from advertising goods or services. For a period between three months and two years.
- **Computer fraud (Article 640-ter Italian Criminal Code):** “Whoever, by altering in any way the operation of an information or computer system or manipulating without right in any way data, information or programs contained in that information or computer system or that is pertinent to it, obtains for himself or herself or others an unfair profit to the detriment of others, shall be punished with imprisonment of between six months and three years and a fine ranging from €51 to €1,032. The penalty shall be imprisonment of between one and five years and a fine from €309 to €1,549 if one of the circumstances envisaged by number 1) of the second paragraph of Article 640 applies, or if the act is committed with abuse of the position of system operator. The crime shall be punishable upon complaint lodged by the injured party, unless some of the circumstances referred to in the second paragraph or another aggravating circumstance applies.” Pecuniary Sanctions per Legislative Decree 231/ 01: From 100 to 500 units increased by from 200 to 600 units if the entity made a significant profit or serious harm was incurred. Interdictory Sanctions per Legislative Decree 231/01: 1) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 2) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 3) debarment from advertising goods or services. For a period between three months and two years.

1.2 Definition of Public Administration, public officials and persons in charge of a public service

1.2.1 Public Administration

Public Administration (hereinafter also PA) means, in short, any public body or entity (sometimes also private) that in some manner performs a public function, in the interest of the community, and therefore in the public interest.

For example, the following entities or categories of entities may be indicated as subjects of the PA:

- institutes and schools of all levels and educational institutions;
- autonomous State agencies and administrations (for example, Ministries, Lower House of Parliament and Senate, European Community Policies Department, Antitrust Authority, Power and Gas Authority, Communications Authority, Bank of Italy, CONSOB [National Commission for Companies and the Stock Exchange], Data Protection Authority, Internal Revenue, ISVAP [Insurance Oversight Authority], COVIP [Pension Fund Oversight Authority], bankruptcy sections);
- Regional administrations;
- Provincial administrations;
- Political parties and associations linked to them;
- Municipalities and municipally owned companies;
- Mountain communities, their consortia and associations;
- Chambers of Commerce, Industry, Crafts and Agriculture, and their associations;
- All national, regional and local non-economic public agencies (such as, for example, INPS [Social Security], CNR [National Research Board], INAIL [Workers Comp], INPDAl [Executive Pension Fund], INPDAP [Public Admin. Pension Fund], ISTAT [National Statistics Institute], ENASARCO [Commerce Agents Pension Fund]);
- ASL [Local Health Service]
- State Agencies and Monopolies;
- Subjects under private law that exercise a public service (e.g. RAI);
- Pension funds or assistance funds linked to them;
- Pension and assistance foundations.

Notwithstanding the purely illustrative nature of the public agencies listed above, note that not all the natural persons acting within the scope of and in relation to those agencies are persons to whom (or by whom) the types of offenses in relations with the PA are committed. Specifically, only “Public Officials” and “Persons in Charge of a Public Service” have relevance for this purpose.

1.2.2 Public Officials and Persons in Charge of a Public Service

Pursuant to Article 357, first paragraph, Italian Criminal Code, whoever exercises “a legislative, judicial or administrative public function” is considered, “Pursuant to criminal law”, a public official.

The provision only clarifies the notion of the “public administrative function” (since the other two have induced no doubts of interpretation) by specifying that, by the effects of criminal law, “an administrative function governed by public law principles and authoritative acts and characterized by the formation and manifestation of the will of the Public Administration or by its being implemented by means of authoritative or certifying powers” is public.

In other words, the administrative function, which is defined as public, is governed by “public law principles”, i.e. those standards aimed at the pursuit of a public purpose and the protection of the public interest and, as such, in contrast with private law principles.

Conversely, Article 358 Italian Criminal Code defines “persons in charge of a public service” as those persons “who, for whatever reason, provide a public service. Where public service is to be understood as an activity regulated in the same forms as the public function, but that is characterized by the lack of those powers typical of the latter and that excludes the performance of simple tasks of law and order and the mere provision of material labor.”

The legislator clarifies the notion of “public service” using two orders of criteria: one positive and one negative. In order for the service to be defined as public, it must be regulated, in the same manner a “public function” is, by public law principles, but with the difference that the powers of certification, authorization and deliberation that belong to the public function are lacking in public service.

Therefore, a person in charge of a public service is one who performs as a public authority, which does not have the powers of a public official (legislative, judicial and administrative power) and which does not concern simple duties of law and order and/or the mere performance of material labor and, as such, devoid of any intellectual or discretionary contributions.

For example, the list below includes those whom Elma Research may come into contact doing business and those who hold the title of Public Official and Person in Charge of a Public Service:

- Doctor On-Call
- Doctor practicing under contract with the SSN [NHS]
- University Employees
- ASL Tender Commission member
- Physician employed by the ASL
- Specialist under contract: so called “internal physician” who practices in SSN [NHS] clinics
- Primary care general practitioner and pediatrician under contract with the SSN
- University physician who practices under contract with the SSN
- Physician employed by a public or private hospital with a term contract
- Doctors employed by “Public Agencies” (Entities whose funding by public money is greater than 50%)

1.3 Areas at risk of offenses

The potential areas at risk of offenses that Elma Research has identified in possible relations with the PA, which are in the scope of crimes pursuant to the Decree, are listed below:

- obtaining consultations from healthcare professionals through participation in market research conducted by Elma Research to acquire information on their knowledge and use of drug products or the organization of their clinical activities;
- participation in public tenders and private bidding;
- management of contracts with the PA;
- acquisition and/or management of grants, subsidies and financing granted by the PA;
- obtaining permits, licenses or authorizations;
- management of administrative, fiscal, social security and ASL inspections;
- management of donations, gifts or advertising;
- management of local promoters.

Any changes or additions to the above areas at risk of crime shall be left to the competence of the Board of Directors, also upon the SB's suggestion.

1.4 Rules of conduct

1.4.1 General standards

The Company condemns any conduct undertaken on its behalf by corporate bodies, their members, Company employees or third parties (including consultants, term contractors, agents, attorneys or others) acting on behalf of the Company, consisting in directly or indirectly promising or offering, money, services, assistance or other benefits, from which an undue or illicit interest or advantage may result for the Company, to Public Officials and/or Persons in Charge of a Public Service, whether Italian or foreign, or their relatives, unless they are gifts or other gratuities of modest value and, in any case, falling within legitimate business usage and customs.

Model Recipients must comply with the rules of conduct contained in this Model in the performance of their respective duties or functions. In addition they must know and comply with the rules governing the Company's Articles of Association, operating procedures and any other internal regulations relating to the Corporate Governance system.

Specifically, this Special Part provides that the following shall be expressly prohibited:

- engaging in conduct that would supplement the types of offenses considered above (Articles 24 and 25 of the Decree) or conduct that, although not constituting an offense in itself, could potentially supplement one of the offenses under consideration herein;
- executing contracts without the relevant powers. A subject who maintains relations or carries out negotiations with the PA cannot execute the contracts he or she has negotiated in the absence of specific powers. Negotiation and execution of contracts takes place only on the basis of a delegation, authorization or power of attorney formalized with indications of constraints and responsibilities for this purpose;
- proposing business opportunities that may benefit PA employees in a personal capacity or grant other advantages of any kind (promises of employment, etc.) in favor of PA representatives, or in any case, of persons connected to them;

- making donations of money or gratuities to public officials or receive these outside of generally accepted practice. Specifically, any form of gratuity given to Italian or foreign public officials, or to their family members, that may influence their discretion or independence of judgment or induce them to secure any advantage for the Company, is prohibited. Permitted gifts are always characterized by their modest value or because they are intended to promote the Company's "brand image". All gratuities offered, except those of modest value, shall be properly documented to allow the Supervisory Board to verify them;
- communicating untrue data to the PA, preparing and providing false documents or omitting required information;
- violating the PA information systems to obtain or manipulate information for the benefit of the Company.

To prevent the implementation of the conduct described above:

- functions and responsibilities must be clearly segregated, i.e. there must be a clear division of tasks among the different departments and therefore, among those who prepare and sign the documentation to be submitted to the PA. For example, in the case of a request for a subsidized loan, the segregation of the departments must be clear. For example, (i) those who are proposing the request for funding, (ii) those who are doing the feasibility study to assess the possibility of accessing funding, (iii) those who collect and prepare of the necessary documentation and then (iv) those who approve and sign the request must be separate;
- association agreements with partners must be defined in writing. They must highlight all the conditions of the same contract, especially as concerns the economic conditions agreed for joint participation in the procedure. These contracts shall be proposed, verified and approved by at least two separate parties from the Company;
- no payments, above the limits established by the Company, of any kind whatsoever may be made in cash or in kind;
- those who perform control and oversight functions on fulfillments related to the performance of the above activities (invoice payment, destination of funding obtained from the State or from community agencies) must pay particular attention to the implementation of the fulfillments themselves and shall immediately report any irregularity to the SB;
- any critical issue or conflict of interest arising within the scope of a relationship with the PA must be communicated to the SB in writing.

1.4.2 Specific procedural principles

the following procedures should be followed in relation to the identified areas of risk:

- In all interactions with healthcare professionals (hereinafter also respondents), and in general when doing company business, strict compliance with the rules contained in the codes of conduct of international research organizations (ESOMAR, EphMRA) where Elma Research is also a member, is required.
This shall include but not be limited to the examples below:
 - Respondents must be able to voluntarily provide informed consent to the collection of the data and to its use, based on a clear understanding of the purpose of its collection and of how the data will be used.
 - Respondents' rights must always be respected, including their rights to confidentiality, anonymity and their right to terminate the interview at any time.
 - Market research must be kept separate from any form of promotion or sales activity. It must not be used as a vehicle for disguised promotion.
 - Data provided by respondents must be treated fairly and lawfully and used only for the specific and legitimate purposes for which they were collected.
 - Personal data should not be retained beyond the time required to achieve the immediate purposes of the study.
 - Researchers must behave ethically: they must never undermine or damage the reputation of pharmaceutical market research; they must never discredit or deplore competing companies or products.
 - Researchers shall conduct market research accurately, transparently, objectively and of an appropriate quality.
- The following concerns participation in calls for tenders for the award of public supply contracts:
 - Check that the procedures for participating in calls for tenders have been applied properly. This includes the receipt of information about the nature of the call in which you intend to participate even as an associate (i.e. how you became aware of the notice) and the evaluation of the notice, its approval, and the preparation and dispatch of the documentation to the entity that published the call;

- Check that there are no conflicts of interest, including the possibility of participating in the call;
 - Check the documentation certifying the existence of the essential conditions for participation in the call whether directly or through an outsourcer. Check on the agencies contacted, on the verifications conducted by the legal department, on the resolutions authorizing participation in the tender and on the integrity of the envelope accompanying the documentation required for participation in the call;
 - *ex post*, using appropriate support from documents and IT systems, check the traceability and verifiability of the transactions made with the PA;
 - verify the authorization and monitoring procedures carried out by upper management on calls for tenders, periodically obtaining the list of the calls and those in the process of being specified, reviewing the procedural steps established;
 - monitor the powers also with reference to checking the authorization signatures for calls won and those participated in.
- The following concern the management of financial administration relations:
 - register the procedures governing participation in judicial, tax, administrative and/or oversight inspections and the management of relations to obtain authorizations, licenses or other concessions from public entities;
 - keep track of the entire inspection procedure through drafting specific minutes reports. If the final report highlights critical issues, the SB is to be notified in writing by the manager of the department involved.

Furthermore, still in compliance with the Decree, the following are expressly prohibited:

- using contrivances or deceptions to induce the PA to incorrectly assess the technical and economic characteristics of products or services offered or supplied;
- diverting, even only partially, any contributions, subsidies or public funding from the purposes for which they were obtained;
- making payments in cash, unless expressly authorized by the administrative and financial management, which may grant permission only in cases where the regulations governing the public agency's business expressly require it and in any case with normal charges to the specified financial statement items;
- paying compensation, or providing services, to external contractors that are not suitably justified by the type of task to be performed, the compensation received, the characteristics of the partnership relationship or current practice;
- submitting false statements to domestic or EU public agencies when applying to obtain public funding, contributions or subsidized loans or when falsely reporting on the activity for which public funding has already been obtained.

1.4.3 Contracts with external contractors

Contracts with external contractors who have relations with the PA shall contain a clause that governs the consequences of their violation of their obligations pursuant to the Decree, as well as the standards of conduct dictated by the Model.

1.5 Duties of the Supervisory Board

Notwithstanding the SB's discretionary power to activate specific controls after receiving reports (see the explanation in the General Part of this Model), the SB shall be responsible for:

- making periodic checks on compliance with this Special Part and evaluating its effectiveness in preventing the commission of the crimes set forth in Articles 24-25 of the Decree, through making random checks on those areas at risk of crime cited above;
- periodically verifying, with the support of the competent departments, the system of delegations and powers of attorney in force and recommending amendments if the executive power and/or qualification does not correspond to those powers of representation actually conferred on the corporate representatives;
- examining any specific reports coming from the control bodies or third parties to assess their reliability and make any checks deemed necessary or appropriate;
- notifying any violations of the Model to the competent bodies according to the disciplinary system for the adoption of sanctions;
- updating the Model, indicating any suitable additions or measures deemed necessary to the Board of Directors in order to preserve the Model's appropriacy and effectiveness.

2. Corporate offenses

2.1 Types of Corporate Offenses (Article 25-ter of the Decree)

The corporate offenses that may give rise to administrative liability of the entity pursuant to Article 25-ter of Legislative Decree 231/2001 are as follows:

- **Fraudulent corporate disclosures (Article 2621 Italian Civil Code):** “Without prejudice to the provisions of Article 2622, executives, general managers, directors in charge of preparing the corporate accounting documents, the statutory auditors or liquidators, who, with the intention of deceiving shareholders or the public and in order to obtain an unfair profit for themselves or others, disclose material facts that do not correspond to the truth in the financial statements, reports or other corporate communications required by law, even though the object of evaluation and addressed at shareholders or the public, or who omit information on the economic, asset or financial situation of the company or group to which it belongs, whose disclosure is required, in a manner that intends to mislead the recipients about that situation, shall be punished with imprisonment for up to two years. The punishment shall also apply to cases in which the disclosures concern assets owned or administered by the company on behalf of third parties. Punishment shall be excluded if the false statements or omissions do not significantly alter the representation of the economic, asset or financial situation of the company or group to which it belongs. Punishment shall be also excluded if the false statements or omissions lead to a change in the economic result for the year, before tax, not greater than 5 percent or a change in shareholders' equity of not greater than 1 percent. In any case, the conduct shall not be punishable if it is the result of estimated valuations, which, if taken individually, differ by no more than 10 percent from the correct assessment. In the cases provided for in the third and fourth paragraphs, the persons referred to in the first paragraph shall be subject to administrative sanctions from ten to one hundred units and interdiction from exercising executive offices of legal persons and companies for between six months and three years, from exercising executive offices of executive, auditor, liquidator, general manager and director responsible for preparing corporate accounting documents, as well as from any other office with the power to represent the legal person or company.” Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 300 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **False corporate disclosures to the detriment of the company, shareholders or creditors (Article 2622 Civil Code):** “The executives, general managers, directors in charge of preparing the corporate accounting documents, the statutory auditors or liquidators, who, with the intention of deceiving shareholders or the public and in order to obtain an unfair profit for themselves or others, disclose material facts that do not correspond to the truth in the financial statements, reports or other corporate communications required by law, even though the object of evaluation and addressed at shareholders or the public, or who omit information on the economic, asset or financial situation of the company or group to which it belongs, whose disclosure is required, in a manner that intends to mislead the recipients about that situation and who cause financial harm to the company, shareholders or creditors, shall be punished, upon complaint by the injured party, with imprisonment of between six months and three years. A complaint shall be brought even if the conduct includes another crime, even if aggravated, to the detriment of the assets of parties other than shareholders or creditors, unless committed to the detriment of the State, other public entities or the European Communities. In the case of companies subject to the provisions of Part IV, Title III, Chapter II, of the Consolidated Law pursuant to Legislative Decree no. 58 of February 24, 1998, as amended, the penalty for the acts set forth in the first paragraph shall be imprisonment of between one and four years and the crime can be prosecuted ex officio. The penalty shall be imprisonment of between two and six years if, in the cases referred to in the third paragraph, the conduct causes serious harm to individual investors. The harm shall be considered serious when it affects a number of individual investors exceeding 0.1 per thousand of the population, as indicated in the latest ISTAT census, or if it consists in the destruction or reduction in the overall value of securities exceeding 0.1 per thousand of the gross domestic product. Punishment for the acts provided for in the first and third paragraphs shall also be extended to the cases wherein the disclosures concern assets owned or administered by the company on behalf of third parties. Punishment for the acts provided for in the first and third paragraphs shall be excluded if the false statements or omissions do not significantly alter the representation of the economic, asset or financial situation of the company or group to which it belongs. Punishment shall be also excluded if the false statements or omissions lead to a change in the economic result for the year, before tax, not greater than 5 percent or a change in shareholders' equity of not greater than 1 percent. In any case, the conduct shall not be punishable if it is the result of estimated valuations, which, if taken individually, differs by no more than 10

percent from the correct assessment. In the cases provided for in the seventh and eighth paragraphs, the persons referred to in the first paragraph shall be subject to administrative sanctions from between ten and one hundred units and interdiction from exercising executive offices of legal persons and companies for between six months and three years, from exercising the offices of executive, auditor, liquidator, general manager and director responsible for preparing corporate accounting documents, as well as from any other office with the power to represent the legal person or company.” Pecuniary Sanctions per Legislative Decree 231/01: for the first paragraph from 300 to 600 units and for the third paragraph from 400 to 800 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.

- **False statement in prospectus (Article 173-bis, TUF- Consolidated Finance Law):** This type of offense consists of providing false information or concealing data or disclosures in the prospectuses (being the documents required for the solicitation of investment or the admission to being listed on regulated markets, or the documents to be published on the occasion of public purchase or exchange offers) in such a way that they intend to mislead prospectus recipients. Note that: 1) there must be the intention to mislead the prospectus recipients and 2) the conduct must have the aim of obtaining an unfair profit for oneself or for others. The offense is constructed as a common crime that can be committed by “anyone” who engages in the criminal conduct. Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 260 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Impediment of control activities (Article 2625, paragraph 2 Italian Civil Code):** “Directors who, by concealing documents or with other suitable contrivances, impede or in any case obstruct the performance of control or auditing activities attributed to the shareholders, other corporate bodies or auditing firms by law, shall be punished with a pecuniary administrative sanction of up to €10,329. If the conduct has caused damage to the shareholders, imprisonment of up to one year shall be applied and a complaint shall be brought by the injured party. The penalty shall be doubled if the company has securities listed on regulated markets in Italy or other European Union Member States or if they are widely distributed to the public per Article 116 TUF pursuant to Legislative Decree no. 58 of February 24, 1998.” Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 360 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Undue restitution of contributions (Article 2626 Italian Civil Code):** “Directors who, except in cases of legitimate reduction of capital stock, return contributions to shareholders or release the latter from the obligation to make the contributions, even if simulated, shall be punished with imprisonment of up to one year.” Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 360 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Illegal distribution of profits and reserves (Article 2627 Italian Civil Code):** “Unless the conduct constitutes a more serious crime, directors who distribute profits or advances on profits not actually earned or allocated by law to reserves, or who distribute reserves, even if not constituted with profits, which by law cannot be distributed, shall be punished with imprisonment of up to one year. The restitution of profits or the reconstitution of reserves before the deadline for the approval of the financial statements extinguishes the offense.” Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 260 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Unlawful transactions concerning the company's or the parent company's shares or quotas (Article 2628 Italian Civil Code):** “The directors who, except for cases permitted by law, purchase or subscribe company shares or quotas, causing harm to the integrity of the capital stock or reserves, which cannot be distributed by law, shall be punished with imprisonment for up to one year. The same punishment shall apply to directors who, except for cases permitted by law, purchase or subscribe shares or quotas issued by the parent company, causing harm to the integrity of the capital stock or reserves, which cannot be distributed by law. If the capital stock or reserves are reconstituted before the deadline for approval of the financial statements for the financial year in which the conduct occurred, the offense shall no longer be punishable.” Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 360 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Transactions to the detriment of creditors (Article 2629 Italian Civil Code):** “Directors who, in violation of the legal provisions protecting creditors, implement reductions in capital stock or mergers with another company or demergers, causing harm to creditors, shall be punished, upon complaint by the injured party, with imprisonment of between six months and three years. Compensation of the damages to the creditors before the judgment causes the offense to expire.” Pecuniary Sanctions per Legislative Decree 231/01: from 300 to 660 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Failure to communicate conflicts of interest (Article 2629-bis Italian Civil Code):** “The director or a member of the executive board of a company with securities that are listed on regulated markets in Italy or another European Union Member State or that are widely distributed to the public pursuant to Article 116 of the TUF, or subject to supervision

pursuant to the TUB (Consolidated Banking Law), the TUF, Legislative Decree no. 209 of 9/7/2005, or Legislative Decree no. 124 of 4/21/1993 who violates the obligations provided for by Article 2391, first paragraph, shall be punished by imprisonment from between one and three years, if the violation causes harm to the company or to third parties.” Pecuniary Sanctions per Legislative Decree 231/01: from 400 to 1000 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.

- **Fictitious capital formation (Article 2632 Civil Code):** “Directors and contributing shareholders who, even in part, fictitiously form or increase the capital stock by means of allocating shares or quotas in an overall amount that is greater than the amount of the capital stock, reciprocal subscription of shares or quotas, significant over valuation of contributions in kind or credits or of the company's assets in the case of transformation, shall be punished with imprisonment for up to one year.” Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 360 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Illicit allocation of company assets by liquidators (Article 2633 Italian Civil Code):** “Liquidators who, by distributing company assets among shareholders before the payment of the company creditors or the allocation of the sums necessary to satisfy them, cause harm to creditors, shall be punished, upon complaint by the injured party, with imprisonment between six months and three years. Compensation of the damages to the creditors before the judgment extinguishes the offense.” Pecuniary Sanctions per Legislative Decree 231/01: from 300 to 360 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Unlawful influence on the Shareholders' Meeting (Article 2636 Italian Civil Code):** “Whoever, by means of simulated or fraudulent acts, determines the majority at the shareholders' meeting, in order to procure for themselves or others an unjust profit, shall be punished with imprisonment between six months and three years.” Pecuniary Sanctions per Legislative Decree 231/01: from 300 to 660 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Market manipulation (Article 2637 Italian Civil Code):** “Whoever spreads false information, or carries out simulated transactions or other contrivances that are concretely capable of significantly altering the price of financial instruments, which are not listed or for which no request for admission to trading on a regulated market has been made, or which significantly affect the public's confidence in the financial stability of banks or banking groups, shall be punished by imprisonment of between one and five years.” Pecuniary Sanctions per Legislative Decree 231/01: from 400 to 1000 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Hindering the activities of public supervisory authorities (Article 2638 Italian Civil Code):** Criminal conduct takes place through the disclosure to the supervisory authorities in a manner that would obstruct their functions, as provided for by law, of material facts that are not true, even if subject to evaluation, on the economic, equity or financial situation of persons subject to supervision, or through the concealment by other fraudulent means, in whole or in part, of facts that should have been disclosed, concerning that same situation. Pecuniary Sanctions per Legislative Decree 231/01: from 400 to 800 units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.

2.2 Areas at risk of offenses

The potential areas at risk of offenses that Elma Research has identified, within the scope of corporate crimes concern the activities listed below:

- bookkeeping, preparation of the financial statements and other corporate disclosures required by law;
- management of corporate operations;
- management of relations with the person in charge of accounting control, the Board of Statutory Auditors and other corporate bodies;
- preparation of communications to shareholders and/or third parties relating to the Company's economic, equity and financial situation;
- hindering the activities of public supervisory authorities.

Any changes or additions to the above areas at risk of crime shall be left to the competence of the Board of Directors, also upon the SB's suggestion.

2.3 Rules of conduct

2.3.1 General standards

Model Recipients must comply with the rules of conduct contained in this Model in the performance of their respective duties/functions. In addition they must know and comply with the rules governing the Company's Articles of Association, operating procedures and any other internal regulations relating to the Corporate Governance system.

Specifically, this Special Part provides for the express prohibition of engaging in conduct that would supplement the types of offenses considered above (pursuant to Article 25-ter of the Decree) or conduct that although not constituting an offense in itself, could potentially add to one of the offenses under consideration.

Consequently, this Special Part provides for the obligation of Recipients to:

- conduct themselves correctly, transparently and collaboratively, in compliance with the law and any internal procedures, in all activities aimed at preparing the financial statements and other corporate communications, to provide shareholders and third parties with truthful and correct information on the Company's economic, equity and financial situation. In this regard, the following are expressly prohibited:
 - preparing or communicating any information that is false, incomplete or in any case likely to provide an incorrect description of the Company's economic, equity and financial situation;
 - omitting to disclose any data or information required by the regulations and procedures in force concerning the Company's economic, equity and financial situation;
- comply with the standards and requirements contained in the instructions for the preparation of the financial statements and periodic reporting provided for by law;
- comply with all the regulations implemented by law that protect the integrity and effectiveness of the Company's assets, in order not to harm the guarantees of creditors and third parties in general;
- pursue the objective of the company's interest in the management and exercise of the company's business, up through any future phases of the Company's liquidation or cessation;
- ensure that the Company and the corporate bodies function normally, guaranteeing and facilitating all forms of internal control over Company management provided for by law, as well as the free and correct formation of the will of the shareholders' meeting;
- carry out all communications required by law promptly, correctly and in good faith, without hindering the Supervisory Authorities' oversight. In this regard the following are expressly prohibited:
 - omitting to make all periodic reports required by current applicable law and regulations with all due completeness, accuracy and timeliness;
 - reporting, facts that do not correspond to reality in the aforesaid communications and transmissions, or concealing significant facts relating to the Company's economic, equity or financial situation;
 - engaging in any behavior that might be an obstacle to the exercise of oversight functions, including during inspections, by the Administrative Authority (express opposition, pretentious refusals or even obstructive or non-cooperative conduct, such as delaying communications or not making documents available);
- set up procedures for the preparation of the financial statements and for the management of financial resources.

2.3.2 Specific procedural principles

Specific standards of conduct to be maintained in compliance with the Decree, concerning the areas at risk identified in this Special Part, are set out below.

Specifically, the financial statements, reports and other corporate communications required by law (presentation of data, processing and approval) shall be drawn up in accordance with specific company procedures that:

- determine clearly and completely the data and information that each department is to provide, the accounting criteria for processing the data (for example, the criteria followed in the valuation of balance sheet items requiring an estimate such as receivables and their presumed realizable value, provisions for risks and charges, dividends, provisions for taxes and duties, etc.) and the timing for their delivery to the responsible departments;
- provide for the transmission of data and information to the responsible department through a system (also computerized) that allows the tracking of each individual step and the identification of those persons who entered the data into the system;

- use budget information shared among the departments involved and approved by corporate management.

Moreover, when preparing the communications to the Shareholders on the Company's economic, equity and financial situation, these shall be drawn up in a clear and complete manner and shall include:

- the data and information that each department must provide;
- the accounting criteria for processing the data;
- the terms for their delivery to the responsible corporate areas.

Finally, in addition to the monitoring just provided for and that which has already been adopted by the Company, the following shall also be provided:

- activation, for the responsible staff, of an information and training program to prevent the commission of corporate offenses;
- transmission to the directors and the Board of Statutory Auditors of all documents concerning agenda items for Shareholders' meetings or Board of Directors meetings or those on which they are to express an opinion pursuant to law;
- scheduling of periodic meetings between the Board of Statutory Auditors (where present) and the SB to verify compliance with corporate regulations and Corporate Governance standards.

2.4 Contracts with external contractors

Contracts with external contractors shall contain a clause that regulates the consequences of any violation of the rules set out in the Decree and the principles contained in the Model that may occur.

2.5 Duties of the Supervisory Board

Notwithstanding the SB's discretionary power to activate specific controls after receiving reports (see the explanation in the General Part of this Model), the SB shall be responsible for:

- random sampling of the areas at risk of offenses and the verification of compliance with the implementation and adequacy of the Model as well as of the correct performance of the activities contained in the areas at risk in relation to the rules set out in the Model (existence and adequacy of the relevant power of attorney, spending limits, actual reporting to delegated bodies, etc.);
- monitoring the effectiveness of any internal procedures for the prevention of the offenses considered in this Special Part;
- examining any specific reports from corporate bodies, third parties or any company representative and carrying out the checks deemed necessary or appropriate in relation to the reports received;
- notifying any violations of the Model to the competent bodies according to the disciplinary system for the adoption of sanctions;
- updating the Model, indicating any suitable additions or measures deemed necessary to the Board of Directors in order to preserve the Model's appropriacy and effectiveness.

3. Offenses of corruption between private individuals

3.1 Types of offenses

Law No. 190 of November 6, 2012, on "Provisions for the prevention and repression of corruption and illegality in the Public Administration" (the so-called "Anti-Corruption Law"), in addition to introducing measures aimed at preventing episodes of corruption in relations with the Public Administration ('PA') and repressive measures aimed at punishing the occurrence of such crimes more harshly, introduced the crime of corruption between private individuals. Also included was the same crime found in the list of predicate offenses pursuant to Legislative Decree 231/2001 ('Decree'), on administrative liability of entities for crime (notably, paragraph 1 letter s-bis of Article 25-ter of the Decree). The crime of bribery between private individuals is provided for by Article 2635 Italian Civil Code, which states:

"Unless the act constitutes a more serious offense, directors, general managers and managers responsible for preparing the company's accounting documents, the statutory auditors and liquidators, who, as a result of giving or promising money or other benefits, for

themselves or others, who perform or omit acts, in violation of the obligations inherent in their office or loyalty obligations, that bring harm to the company, shall be punished with imprisonment from between one and three years.

The penalty shall be imprisonment of up to one year and six months if the act is committed by a person subject to the direction or supervision of one of the persons indicated in the first paragraph.

Anyone who gives or promises money or other benefits to the persons indicated in the first and second paragraphs shall be punished with the penalties provided for therein.”

On the passive side, the conduct consists in accepting money or other benefits for oneself or others (or the relative promise) in order to carry out or omit acts in violation of the obligations inherent to the office or the obligations of loyalty, which may harm the company.

Loyalty obligations are instead linked to the principles of correctness and good faith per Articles 1175, 1375 and 2105 Italian Civil Code.

On the active side (“corrupter”), the conduct consists in offering or promising money or any other benefit (favors, hiring staff, offering consultancy contracts, etc.).

On the passive side, the parties actively committing the offense may be “upper management” (directors, general managers, managers in charge of preparing the company's accounting documents, statutory auditors and liquidators) but also those subject to the direction or supervision of one of the persons indicated above (i.e. employees, including external contractors such as agents, dealers, etc.). The corrupter can be anyone.

It is important to point out that corporate equity is the legal asset that this aims to protect. Finally, it should be noted that, for the purposes of administrative liability, only the entity to which the “corrupter” belongs can be sanctioned (the only one who can receive an advantage from the corruptive conduct), whereas the company being affected by the corruption, being harmed by the criminal conduct, shall not be punishable under the Decree.

3.2 Areas at risk of offenses

Risk area no. 1: CUSTOMER SERVICE

- a) Management of orders based on sales contracts formalized with customers
- b) Formal approval of the business proposal
- c) Definition of the credit limit to be granted to customers

Risk area no. 2: ENTERTAINMENT EXPENSE MANAGEMENT

- a) Management of entertainment expense (gifts, invitations, etc.):
 - a. Identification of the types of expenses and maximum limits
 - b. Management of possible anomalies/overruns

Risk area no. 3: MANAGEMENT OF TENDERS, CONTRACTS, ASSIGNMENTS.

- a) Contact among the representatives of the Company and the private entity in relation to the call for tenders (open, restricted, negotiated procedures) or private negotiations
- b) Preparation of documentation and economic offers, and subsequent submission of the same for participation in the call for tenders (open, restricted, negotiated procedures) or private negotiations
- c) Call for tender or private contract award: preparation of the required administrative documentation and its transmission to the private entity
- d) Negotiation and final execution of supply contracts with private entities
- e) Verification of the actual delivery of the supplies

Risk area no. 4: GIFTS AND OTHER DONATIONS (e.g. donations, contributions in kind, etc.)

- a) Gifts and donations (e.g. donations, contributions in kind, etc.) in favor of scientific companies, foundations and associations shall be implemented through:
 - a. identification of scientific companies, foundations and associations potentially interested in a specific project;
 - b. receipt of an application letter sent to the company for a charitable project in favor of a concerned Scientific Company and/or Foundation and/or Association;
 - c. communication by the company of their adherence to the request made, execution of the grant project (payment of the sum or giving of the asset, etc.), subsequent feedback from the beneficiary and relative verification by the company;
- b) Operational management of the donations.
- c) Verifications of the counterparties

Risk area no. 5: CORPORATE SPONSORSHIP MANAGEMENT

- a) Definition of the sponsorship plan

- b) Reception of requests from scientific companies, foundations and associations
- c) Checks on beneficiaries (scientific companies, foundations and associations)
- d) Definition and signing of contractual agreements with those sponsored
- e) Operational management of the sponsorship, receiving feedback from the sponsored entity and verification by the sponsor

Instrumental area no. 6: STAFF ADMINISTRATION

- a) Employee master data management (modification of personal data, salary, etc.)
- b) Management and archiving of the books provided for by law
- c) Management of attendance, leave, vacation and overtime
- d) Salary processing, payment and related registration
- e) Management of advances to employees
- g) Collection of the documentation on each employee and management and archiving of sensitive data in special files
- h) Validity check of residence permits during the working relationship
- i) Managing the posting of workers

Instrumental area no. 7: EXPENSE ACCOUNT/CONTROL MANAGEMENT

- a) Management of missions and travel
- b) Management, control and authorization of expense accounts

3.3 Rules of conduct

The managers of the departments involved in the “crime risk” areas and the “instrumental areas” shall be required to comply with the rules of conduct indicated below as well as with the principles dictated by the Model and, in particular, with the Code of Ethics, as they carry out their activities on behalf of the Company.

All recipients of the Model are strictly prohibited from:

- engaging in, collaborating in or giving cause to engage in conduct that would cause the types of corruption between private individuals described in paragraph 1.;
- engaging in, collaborating in or causing the commission of conduct that does not constitute a crime in itself but that could potentially become an offense.

Specifically, the following are prohibited:

1. offering or making donations of money or other benefits (hospitality, entertainment, etc.) to representatives of private entities and companies for the performance (or even omission) of acts of one's office, in violation of one's duties of loyalty, with the purpose of receiving an advantage of any kind for the company and/or for oneself, regardless of whether that act is then carried out;
2. in all cases, gifts, donations or courtesy expenses are to be appropriately documented to permit verification by the SB;
3. directly or indirectly granting advantages of any kind to representatives of private entities, agencies, suppliers or customers (or made in such a way) that violate the principles set out in the Model;
4. performing services and paying compensation for consultants, agency, supplier or client contact persons that are not adequately justified in the context of the contractual relationship established with those persons.

Furthermore, in order to implement the above-cited conduct:

1. future recruitment of staff as well as their management must be undertaken in compliance with the company rules that provide for the following:
 - a) a process of planning for the resources to be hired that takes requirements into account;
 - b) the identification of the minimum requirements necessary to cover the role and the level of remuneration in compliance with the provisions of the National Collective Labor Contract (where applicable) and in compliance with the remuneration tables used for reference;
 - c) the definition of a personnel selection process that governs: (i) the search for a variety of candidates according to the complexity of the role to be filled; (ii) the management of conflicts of interest between the recruiter and the applicant selected; (iii) the verification, through several screening phases, of how the candidate meets the defined profile;
 - d) undertaking pre-hiring checks on candidates to prevent the occurrence of prejudicial situations that might expose the Company to the risk of the commission of the predicate offenses;
 - e) hiring authorization by appropriate upper management;
 - f) systems that ensure attendance tracking and that the salary paid is correct.
2. Contracts between the Company and agency, supplier, consultant and customer contact persons shall contain all required conditions and terms in writing and are to comply with what is indicated in the points below:

- a) contracts with all third parties (agencies, consultants, distributors, etc.) shall contain a specific clause regulating the consequences of any violation of the Model's rules;
 - b) agencies or their contact persons, suppliers, distributors and, in general, third parties are to be selected according to predefined qualitative and quantitative criteria using transparent methods;
 - c) contract approval at appropriate authorization levels.
3. moreover, as required by Company procedures, contract management shall include checks on the consistency of the order with the parameters provided for in the same contract and on the completeness and accuracy of the invoice and its compliance with legal requirements;
 4. types of relations and relevant management methods are to be identified in all relationships with companies, foundations, associations and other private entities. This should include the methods used for collecting, verifying and approving the documentation to be transmitted to the representatives of the companies, foundations, associations or other private entities;
 5. financial flow control and payment tracking procedures must be respected;
 6. any conflict of interest that may arise among Company personnel must be promptly reported to direct supervisors;
 7. those who are responsible for the control and oversight of the above activities should give special attention to fulfillment implementation. Any irregularities or anomalies are to be reported to the SB immediately.

Company departments and/or contact persons operating in areas of risk and in the sensitive activities highlighted above are to keep track and provide proof of the operations performed

3.4 Duties of the Supervisory Board

Notwithstanding the SB's discretionary power to activate specific controls after receiving reports (see the explanation in the General Part of this Model), the SB shall be responsible for:

- making periodic checks on compliance with this Special Part and evaluating its effectiveness in preventing the commission of the crimes, by making random checks on those areas at risk of the crimes cited above;
- reviewing any specific reports coming from the control bodies or third parties to assess their reliability and make any checks deemed necessary or appropriate;
- notifying any violations of the Model to the competent bodies according to the disciplinary system for the adoption of sanctions;
- updating the Model, indicating any suitable additions or measures deemed necessary to the Board of Directors in order to preserve the Model's appropriacy and effectiveness.

4. Occupational health and safety offenses

4.1 Occupational health and safety offenses (Article 25-septies of the Decree)

Occupational health and safety offenses provided for by the Decree that can be configured among the Elma Research S.r.l. activities, in terms of workplace health and safety are listed below:

- **Negligent Homicide (Article 589 Italian Criminal Code):** Article 25-septies, first paragraph, of the Decree introduces, negligent homicide as a crime punished pursuant to the Decree, when committed in violation of Article 55, paragraph 25, of the legislative decree implementing the delegation referred to in Law no. 123 of August 3, 2007 on workplace health and safety, or Legislative Decree 81/2008. Article 25-septies, second paragraph, also sanctions the crime of negligent homicide pursuant to Article 589 Italian Criminal Code if it is committed, in general, in violation of the rules on safeguarding workplace health and safety. Pursuant to Article 589 Italian Criminal Code, "whoever causes the death of a person through negligence" commits this type of crime. Pursuant to the third paragraph of the same article, committing this act in violation of the "rules on health, safety and accident prevention in the workplace" is an aggravating circumstance. This type of offense could arise in the event that the culpable violation of the rules adopted in the Company were to lead to a workplace accident that caused the death of an Elma Research S.r.l. employee. A good example would be the death of an employee due to a fire breaking out on Company premises caused by a short circuit in a defective machine, if this were to occur due to negligence because Company staff responsible for the periodic maintenance, operation and safety of that machine had omitted to make an inspection. Pecuniary Sanctions per Legislative Decree 231/01: up to 1000 units. Pecuniary Sanctions per Legislative Decree 231/01: from 250 to 500 units. Interdictory Sanctions per Legislative Decree 231/01: from between three and twelve months.
- **Serious or grievous bodily harm (Article 590 Italian Criminal Code):** Article 25-septies also introduces, as a crime sanctioned by the Decree, the offense of culpable bodily harm referred to in Article 590, third paragraph, of the Criminal Code, committed

in violation of the rules on safeguarding workplace health and safety. Pursuant to Article 590 Italian Criminal Code, “whoever causes bodily harm to a person through negligence” commits this type of crime. Pursuant to the third paragraph of the same article, committing this act in violation of the “rules on health, safety and accident prevention in the workplace” is an aggravating circumstance. Serious bodily harm can comprise an illness that endangers life or causes a disability preventing the person from doing ordinary work for a period greater than forty days, or a permanent weakening of a sense or organ. Grievous bodily harm can comprise an illness that is probably incurable, the loss of the use of a sense organ, a limb, a bodily organ or the ability to procreate, a permanent speech impediment, or the deformation or permanent scarring of the face. This type of offense could arise in the event that the culpable violation of the rules on safeguarding workplace health and safety were to lead to a workplace accident that caused an Elma Research S.r.l. employee serious or grievous bodily harm. For example, if an Elma Research S.r.l. employee, assigned to the operation of a machine were to suffer an injury to a limb, deemed to be curable in more than 40 days, due to the malfunction of that machine because it had not been repaired promptly despite the same employee having made a timely report of the malfunction. Pecuniary Sanctions per Legislative Decree 231/01: up to 250 units. Interdictory Sanctions per Legislative Decree 231/01: up to six months

4.2 Areas at risk of offenses

The risk of the potential commission of workplace health and safety offenses is, due to the nature of these crimes, potentially “present” in all operational activities undertaken by employees or contractors (such as temporary or leased workers, project workers, etc.) at the Elma Research S.r.l. headquarters, its local units or its job sites.

Nevertheless, the potential risk, in terms of the probability of the occurrence of one of the workplace health and safety offenses in terms of the seriousness of the violation of the rules on health, safety and accident prevention in the workplace, can be assessed in relation to the characteristics of the activities carried out at the various Company work sites.

As a result of this, the existing system of controls to mitigate the level of risk identified can also be more or less intricate.

The areas deemed to be exposed to greater risk are those at the headquarters and at its local units. Since the workplaces are offices, the risk of the commission of one of the workplace health and safety offenses is, although present, considered to be less significant.

Therefore, all employees, collaborators, contractors, subcontractors, regardless of their location, the form of their collaboration with the Company, their duties or their hierarchical level can be considered involved in the management of workplace health and safety risks. This because they are obliged to carry out their activities in compliance with the system of rules and standards of reference, to fulfill their obligations and to comply with the requirements and prohibitions defined in that same system.

The system of rules and regulations on workplace health and safety comprises the general standards of conduct and behavior and the specific principles defined both by the regulations in force and by the applicable rules and guidelines.

In doing business, Elma Research S.r.l. has systematically applied the general measures to safeguard worker health and safety in the workplace.

In compliance with the provisions of Legislative Decree 81/08, 81/08, the Company has taken steps at its headquarters and its local units to:

- assess all health and safety risks;
- plan occupational health and safety interventions;
- eliminate risks and, where this is not possible, reduce them to a minimum based on knowledge acquired through technological progress;
- comply with ergonomic principles when organizing the work, in the design of the workplaces, in the choice of equipment and in the definition of operational and production methods;
- reduce risks at their source (where possible);
- replace what is hazardous with what is not, or with what is less hazardous;
- minimize the number of workers who are, or may be, exposed to risk;
- limit any chemical, physical or biological agents in the workplace;
- prioritize collective protective measures over individual protective measures;
- provide workers with health checkups;
- inform, train and educate workers;
- inform, train and educate executives and supervisors;
- implement emergency measures;
- perform regular maintenance of all work environments (including signs and notices), work equipment and installations.

Safeguarding workplace health and safety is an important element of Corporate Responsibility. It is developed through a specific set of choices and strategies, which, while respecting the Company and the legitimate expectations of the parties involved, it contributes to increasing the value of a company.

To safeguard the health and safety of its workers, the Company has pursued the primary objective of incorporating and integrating health and safety strategies into the company's policy and daily operations, so that they become an essential part of business processes.

Occupational health and safety risk management has provided for the definition of roles, responsibilities and related obligations through drafting the documents listed below:

- Risk assessment Document,
- Appointment letters for
 - Directors
 - Supervisors
 - Plant Physician
 - Health and safety Manager
 - Personnel assigned to fire prevention measures and firefighting, the evacuation of workers in case of serious and immediate danger
 - Personnel assigned to first aid measures,

Following the provisions introduced by the Consolidated Law on Workplace Health and Safety (Legislative Decree 81/08), the Company has implemented an Occupational Health and Safety Management System.

The Company has created a system of responsibilities that is suitable for the organization and the commitment and leadership of upper management, who will ensure the proper functioning of the Occupational Health and Safety Management System. Equally important is the dissemination of these principles to all its workers through appropriate training, information and education campaigns.

The Company has also provided a semi-automatic defibrillator (AED) for each of its locations and trained a sufficient number of personnel on the use of the AED.

4.3 Rules of conduct

4.3.1 General standards

All Company employees and contractors, including subcontractors in their respective fields and in their remit, are required to:

- comply with the general standards of conduct and behavior, the control standards and the specific principles formulated in this Model;
- promote compliance with the above-cited standards, rules and principles and ensure compliance with workplace health and safety requirements;
- conduct themselves with the utmost cooperation and transparency while respecting the standards of conduct and behavior specified in this Model in relations with public entities competent in the field of occupational health and safety, both during the drafting and communication of any statements and during inspections or audits;
- promote internal briefing and training on specific risks related to the performance of their duties and activities, the corporate occupational health and safety regulations and structure, the accident prevention and safety procedures and measures and/or acknowledge the information provided and/or actively participate in training courses;
- correctly use machinery, equipment, tools, materials, vehicles and other work equipment, as well as safety devices;
- report any violations of the rules herein defined or any potential or actual hazardous situations to managers or persons responsible for occupational health and safety management and/or to the Supervisory Board (by sending a report under the circumstances and as defined in Chapter 4 of the General Part).

4.3.2 Specific procedural principles

- Existence and dissemination of organizational provisions and a formalized system of roles, powers and delegations for occupational health and safety, especially concerning:
 - identification of the employer inside the Board of Directors, in compliance with the provisions of the regulations;
 - documented formalization of the appointment and communication of the person's name;

- identification of the Directors and Safety Officers in compliance with the provisions of the regulations; documented formalization of the appointment and communication of the person's name;
 - designation of the Health and Safety Manager, in compliance with the provisions of the regulations; verification of training and professional requirements and formalization of the appointment;
 - appointment of the Plant Physician for the headquarters, production units and job sites, in compliance with the provisions of the regulations, verification of training and professional requirements and formalization of the appointment;
 - periodic verification of the legitimacy, adequacy and effectiveness of the system of powers and delegations in matters concerning occupational health and safety;
 - existence of a safety organization chart that graphically illustrates the persons delegated to worker protection, the roles and tasks of each, which specifically indicates:
 - o Employer;
 - o Directors;
 - o Supervisors;
 - o Health and safety Manager;
 - o Plant Physician;
 - o Workers' Health and Safety Representative;
 - o Fire Prevention, Evacuation and First Aid Officers.
- Existence of formalized policies, procedures and operational provisions governing the activities of those involved in the occupational health and safety process, namely:
 - Existence of the Risk Assessment Document, in compliance with the provisions of Articles 28 and 29 of Legislative Decree 81/08;
 - existence of the Single Document on the Assessment of Risk from Interference pursuant to Article 26, paragraph 3 of Legislative Decree 81/08;
 - existence and adequate dissemination of an Internal Emergency Plan, in compliance with the requirements specified in Legislative Decree 81/08 and other regulations in force governing the specific subject;
 - the existence of a specific procedure that details the methods for drafting, issuing, disseminating, and updating of workplace health and safety procedures;
 - the existence of other procedures, work orders, service orders and operating instructions, which, along with activities, checks, analyses, accident prevention and safety measures implemented for worker health and safety, regulate the operating methods of the organizational unit in question;
 - the methods and responsibilities for updating, approving and disseminating the procedures have been formalized in each of the individual procedures cited above.
 - Existence of an information, instructional and periodic and systematic training program for employees or contractors involved in the process of workplace health and safety risk management in the field, pursuant to the provisions of the Legislative Decree 81/08 with tracking of worker briefing and training, which specifically documents:
 - training date;
 - number of hours dedicated to training;
 - instructor name;
 - instructor qualification;
 - course recipients;
 - program;
 - training instruments;
 - course objectives;
 - criteria for the verification of the effectiveness of the actions undertaken;
 - name and signature of those in attendance;
 - learning assessment.

- Activation of the health surveillance program implemented by the Plant Physician, as provided for by current applicable legislation and consistent with the risk assessment results; formalization of the surveillance program in the form of a health protocol, reporting on inspections, health documentation management and an annual aggregated health data report.
- Annual check of the real status of procedures and working conditions done during the annual meeting provided for by the regulations and attended by the employer, the HSM [Health and Safety Manager], WHSR [Workers' Health and Safety Representative] and the plant physician.

Elma Research S.r.l. has set out the operational control measures required to eliminate, or reduce and control, health and safety risks, which could be introduced into the workplace by employees, contractors and service providers, other external personnel, people outside the workplace and/or visitors.

Through the Risk Assessment Document, Elma Research S.r.l. has identified the operations and activities, associated with the risks identified, that require certain control measures PS 01 "Hazard identification, risk assessment and identification of control measures".

The Company plans the activities below to ensure that they are implemented under specific conditions:

- establishing and maintaining documented procedures to manage situations where their absence could lead to deviations from Safety policy and objectives;
- specifying operational criteria in the procedures;
- establishing and maintaining procedures concerning the risks identified among equipment and services contracted out by the Company;
- eliminating or reducing risks at their source, establishing and maintaining procedures on the design of the workplace, processes, installations, machinery, operating procedures and work organization, including their adaptability to human capabilities.

4.4 Contracts with external contractors

The Employer shall verify contractors' or self-employed workers' technical and professional qualifications in relation to tenders or contracts for goods and services. Until the effective date of a specific decree aimed at regulating the methods of verification of technical and professional qualifications in detail, the check will be performed using the following methods: Article 26, paragraph 1, letter a) of Legislative Decree 81/08:

- acquisition of Certificate of Registration with the Chamber of Commerce, Industry and Small Business;
- acquisition of the contracting company's or independent contractors' self-certification of the possession of the technical and professional suitability requirements, pursuant to Article 47 of Presidential Decree no. 445 December 28, 2000.

The employer shall formalize the contract for goods and services as follows:

- any form of cooperation with third party companies and self-employed workers (independent contractors) shall be formalized in a written contract, which shall contain a specific declaration of the awareness of the regulations of Legislative Decree 231/01 as well as a commitment to comply with the legislation;
- indication of costs for workplace safety in the contract for goods and services: except for contracts executed for the supply of essential goods and services, each contract must detail (under penalty of the contract being nullified) workplace safety costs with specific reference to those costs related to that specific contract;
- these data may be accessed, upon request, by the WHSR and local workers' trade union organizations, which are comparatively more representative at the national level;
- the HSM shall check the contract's formal correctness and completeness, especially its substantive compliance with current applicable health and safety regulations;
- all contracts shall be authorized and signed according to procedure.

The employer, or a delegate, shall be responsible for transmitting, to the contractor, the subcontractor, or the self-employed worker as well as to the administrator, the information on the specific risks existing in the workplace where they will be operating and on the accident prevention and emergency measures adopted in relation to the same customer's business.

The employer shall promote cooperation and coordination, drawing up a single risk assessment document indicating the measures to be taken to eliminate or, where not possible, to minimize the risks of interference (DUVRI). The DUVRI (where required) shall be attached to the contract for goods and services. The provisions of this paragraph do not apply to the specific risks inherent in the activities of contractors or individual self-employed workers.

4.5 Duties of the Supervisory Board

4.5 The duties of the SB are:

- to oversee the adequacy and compliance with the Model (including the Code of Ethics) on workplace health and safety;
- to review reports of any workplace health and safety violations of the Model;
- to periodically verify, with the support of the competent departments, the system of appointments and powers of attorney in force and to recommend amendments if the executive power and/or qualification does not correspond to those powers of representation actually conferred on the department heads or their delegates;
- to check the effectiveness of the information flow system directed to the same SB, the employer and the HSM;
- to check the effectiveness of the connection systems among the subjects involved in the control system pursuant to Legislative Decree 231/01 and the special regulations on workplace health and safety;
- to perform effective oversight of the Model Recipients, especially third parties (such as Suppliers, Contractors, etc.), to verify compliance with the provisions contained therein;
- to coordinate and cooperate with those subjects responsible for safeguarding worker health and safety to ensure that the oversight system pursuant to Legislative Decree 231/01 is supplemented with the control system set up in compliance with the special regulations for workplace health and safety, also through the organization of periodic meetings;
- to periodically check, with the support of the other competent departments, the validity of the finalized clauses:
 - compliance with the contents of the Model and Code of Ethics by third parties contractually bound to the Company;
 - upon implementation of sanction mechanisms (such as, for example, the termination of the contract with regard to Suppliers, Contractors and External Consultants) if violations of the provisions are ascertained.

5. Environmental Offenses

5.1 Types of environmental crimes (Article 25-undecies of the Decree) provided for in the Criminal Code by Law no. 68 of May 20, 2015.

The environmental crimes provided for by the Decree are as follows:

- **Environmental pollution (Article 452-bis Italian Criminal Code):** “Punishment with imprisonment of between two and six years and a fine of between €10,000 and €100,000 shall be applied to whoever illegally causes significant and measurable compromise or deterioration to:
 - the water, the air, or a large or significant portions of the soil or subsoil;
 - an ecosystem, biodiversity, including agricultural biodiversity, flora or fauna.

When pollution is produced in a protected natural area or one that is subject to landscape, environmental, historical, artistic, architectural or archaeological restrictions, or when it is to the detriment of protected animal or plant species, the penalty shall be increased.” Pecuniary Sanctions per Legislative Decree 231/01: from two hundred fifty to six hundred units. Interdictory Sanctions per Legislative Decree 231/01: up to 12 months

- **Environmental disaster (Article 452-quater Italian Criminal Code):** “Aside from the cases provided for by Article 434 Italian Criminal Code, whoever illegally causes an environmental disaster shall be punished by imprisonment of between five and fifteen years. Alternatively, the following constitute an environmental disaster:
 - the irreversible alteration of the balance of an ecosystem;
 - the alteration of the balance of an ecosystem, the elimination of which is particularly burdensome and can only be achieved with exceptional measures;
 - the offense to the public safety due to the significance of the act because of the extent of the compromise or of its damaging effects or because of the number of people harmed or exposed to hazard.

When the disaster is produced in a protected natural area or one subject to landscape, environmental, historical, artistic, architectural or archaeological restrictions, or it is to the detriment of protected animal or plant species, the penalty shall be

increased.” Pecuniary Sanctions per Legislative Decree 231/01: from four hundred to eight hundred units. Interdictory Sanctions per Legislative Decree 231/01: up to 12 months

- **Culpable crimes against the environment (Article 452-quinquies Italian Criminal Code):** “If any of the acts referred to in Articles 452-bis and 452-quater is committed through negligence, the penalties provided for in those same articles shall be reduced from between one third to two thirds. If the commission of the acts referred to in the previous paragraph leads to the hazard of environmental pollution or environmental disaster, the penalties shall be further reduced by one third”. Pecuniary Sanctions per Legislative Decree 231/01: from two hundred to five hundred units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.
- **Associated aggravating offenses (Article 452-octies Italian Criminal Code):** “When the association referred to in Article 416 is directed, exclusively or concurrently, toward the purpose of committing any of the crimes provided for by this Title, the penalties envisaged by the same Article 416 shall be increased. When the association referred to in Article 416-bis is aimed at committing any of the crimes provided for in this Title or at acquiring the management or control of economic activities, concessions, authorizations, contracts or public services in environmental matters, the penalties provided for in the same Article 416-bis shall be increased. The penalties referred to in the first and second paragraphs shall be increased from between one third and one half if the association includes public officials or persons in charge of a public service that perform functions or services in environmental matters”. Pecuniary Sanctions per Legislative Decree 231/01: from three hundred to one thousand units. Interdictory Sanctions per Legislative Decree 231/01 not envisaged.

5.2 Areas at risk of offenses

Specifically, considering that Elma Research S.r.l.'s main business exclusively comprises the provision of services to Pharmaceutical Companies or market research institutes, and that the business done does not involve any type of industrial production, no crimes have been identified that could potentially be applicable to Elma Research S.r.l.'s enterprise.

The main offenses that could potentially occur if there were a change in the type of production are listed below:

- **Unauthorized waste management (Article 256)**
 - collection, transport, recovery, disposal, trade and intermediation of non-hazardous and hazardous waste, in the absence of the required authorization, registration or communication (Article 256, paragraph 1, letters a) and b)
 - creation or management of an unauthorized landfill (Article 256, paragraph 3, first clause)
 - creation or management of an unauthorized landfill intended, even in part, for the disposal of hazardous waste (Article 256 paragraph 3, second clause)
 - unauthorized waste mixing activities (Article 256, paragraph 5)
- **Failure to remediate contaminated sites (Article 257)**
 - pollution of soil, subsoil, surface water and groundwater by exceeding the threshold concentrations of risk (unless remediation is carried out in accordance with the project approved by the competent authority) and omission of the relevant communication to the competent agencies (paragraph 1 and 2).
- **Violation of reporting obligations, keeping compulsory registers and forms (Article 258, paragraph 4)**
 - preparation of a waste analysis certificate, providing false information on the nature, composition and chemical-physical characteristics of the waste and use of a false certificate during transport.
- **Illegal trafficking of waste (Article 259, paragraph 1)**
 - Shipment of waste constituting illegal trafficking pursuant to Article 26 of Regulation (EEC) No. 259 of February 1, 1993, or shipment of waste listed in Annex II of the above Regulation in violation of Article 1, paragraph 3, letters a), b), c) and d) of the same Regulation.
- **Organized activities for the illegal trafficking of waste (Article 260)**
 - the sale, receipt, transport, export, import, or other mismanagement of large quantities of waste, even highly radioactive waste with several operations and through the set-up of means and continuous organized activities, to achieve an unfair profit.
- **Computerized Waste Tracking Control System (Article 260-bis- paragraphs 6, 7 and 8)**

- preparation of a waste analysis certificate, used as part of the waste-tracking control system, which provides false information on the nature, composition, chemical and physical characteristics of the waste and which includes a false certificate among the data to be provided for the purposes of waste tracking (Article 260-bis, paragraph 6)
- omission (by the transporter) of a paper copy of the SISTRI [waste tracking control system] - AREA MOVEMENT form, which is supposed to accompany waste transports, where required, pursuant to current legislation, along with a copy of the analysis certificate, which identifies the characteristics of the waste (Article 260-bis, paragraph 7).
- use, during transport, of a waste analysis certificate, providing false information on the nature, composition and chemical-physical characteristics of the waste in transit (Article 260-bis, paragraph 7).
- Accompanying (by the transporter) the waste being transported with a paper copy of a fraudulently altered SISTRI - AREA MOVEMENT form (Article 260-bis, paragraph 8).
- **Sanctions - Atmospheric pollution (Article 279, paragraph 5)**
 - Violation of the emission limit values or of the requirements established by an authorization, by plans, programs, the legislation, or by the competent authority, in the operation of an installation, which also determines surpassing the air quality limit values provided for by current applicable legislation (paragraph 5).
- **Offenses provided for by Law no. 549 of December 28, 1993 on the protection of stratospheric ozone and the environment**
 - Violation of the provisions providing for the cessation and reduction of the use (production, use, marketing, import and export) of substances harmful to the ozone layer (Article 3, paragraph 6).

Since the activities comprise only office work, which essentially involves cognitive decision making, where the office is defined as the area where workers receive, process and produce information through the spoken word and other means, including essentially paper and magnetic media, the only detectable environmental risks concern the management of hazardous waste produced in the performance of their duties.

5.3 Rules of conduct

All Company employees, contractors and consultants shall be required to:

- conduct themselves properly, transparently and cooperatively in compliance with the standards established by the law and internal Company procedures;
- manage the disposal of any waste produced exclusively through specially authorized operators.

5.4 Contracts with external contractors

When dealing with third party contractors (e.g.: independent contractors, consultants, partners, suppliers, etc.), who may be involved in activities at risk with respect to environmental crimes and who are working on behalf or in the interest of Elma Research S.r.l., their agreements must contain standard clauses that comply with Legislative Decree 231/01

5.5 Supervisory Board Duties

The Supervisory Board's primary duty is to oversee adequacy and compliance with the Model (including the Code of Ethics) regarding environmental protection and to review any reports of environmental protection violations of the Model;

6. Money laundering offenses

6.1 Offenses of receiving stolen goods, money laundering, self-money laundering, and the use of money, goods or benefits of illicit origin (Article 25-octies of the Decree)

The offenses pursuant to Article 25-octies of Legislative Decree 231/2001 are as follows:

- **Receiving stolen goods (Article 648 Italian Criminal Code):** “Except in cases of complicity in the crime, whoever, purchases, receives or conceals money or things from any crime, or in any case intervenes in having them purchased, received or concealed, in order to procure a profit for himself or for others shall be punished with imprisonment between two and eight years and a fine ranging from €516 to €10,329. The penalty is imprisonment for a period of up to six years and a fine of up to €516, if the offense is particularly minor. The provisions of this article also apply when the perpetrator of the crime from which the money or property is derived is not ascribable.” Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 800 units. If the money, goods or other benefits come from a crime for which the penalty of imprisonment of more than five years is established, the monetary sanction of between 400 and 1000 units shall be applied. Mandatory confiscation shall also apply for the equivalent of the price, profit or product of the crime. Interdictory Sanctions per Legislative Decree 231/01: 1) debarment from exercising activity, 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense, 3) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 4) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 5) debarment from advertising goods or services. For a period of no more than two years.
- **Money laundering (Article 648-bis Italian Criminal Code):** “Except in cases of complicity in the crime, whoever replaces or transfers money, goods or other benefits deriving from an offense with criminal intent, or carries out other operations in relation to them, in order to obstruct the identification of their criminal origin, shall be punished with imprisonment of between four and twelve years and a fine ranging from €1,032 to €15,493. The penalty shall be increased when the act is committed in the exercise of a professional activity. The penalty is reduced if the money, goods or other benefits come from a crime for which the penalty has been set at imprisonment of less than five years. The last paragraph of Article 648 shall apply.” Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 800 units. If the money, goods or other benefits come from a crime for which the penalty of imprisonment of more than five years is established, the monetary sanction of between 400 and 1000 units shall be applied. Mandatory confiscation shall also apply for the equivalent of the price, profit or product of the crime. Interdictory Sanctions per Legislative Decree 231/01: 1) debarment from exercising activity, 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense, 3) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 4) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 5) debarment from advertising goods or services. For a period of no more than two years.
- **Using money, goods or benefits of illicit origin (Article 648-ter Italian Criminal Code):** “Whoever, except in cases of complicity in the crime and those cases provided for by Articles 648 and 648-bis, uses money, goods or other benefits deriving from economic or financial crimes, shall be punished with imprisonment for a period of between four and twelve years and a fine ranging from €1,032 to €15,493. The penalty shall be increased when the act is committed in the exercise of a professional activity. The penalty shall be reduced in the case pursuant to the second paragraph of Article 648.” Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 800 units. If the money, goods or other benefits come from a crime for which the penalty of imprisonment of more than five years is established, the monetary sanction of between 400 and 1000 units shall be applied. Mandatory confiscation shall also apply for the equivalent of the price, profit or product of the crime. Interdictory Sanctions per Legislative Decree 231/01: 1) debarment from exercising activity, 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense, 3) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 4) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 5) debarment from advertising goods or services. For a period of no more than two years.
- **Self-laundering (Article 648 ter.1 Italian Criminal Code):** The offense of self-laundering was introduced into the list of predicate offenses pursuant to Legislative Decree 231/2001 in December 2014. The offense is exacerbated by whomever has profited from the commission, or participation in the commission of and who has subsequently employed, replaced or

transferred the money, goods or other benefits deriving from that offense committed into economic, financial, entrepreneurial or otherwise speculative activities. The penalty provided for this crime shall be increased if it is committed in the exercise of a banking, financial or professional activity. "Punishment shall be imprisonment for between two and eight years and a fine from €5,000 to €25,000 for whoever, having committed or conspired to commit an offense with criminal intent, uses, replaces, transfers, money, goods or other benefits deriving from the commission of such a crime in economic, financial, entrepreneurial or speculative activities that will concretely hinder the identification of their criminal origin." Pecuniary Sanctions per Legislative Decree 231/01: from 200 to 800 units. If the money, goods or other benefits come from a crime for which the penalty of imprisonment of more than five years is established, the monetary sanction of between 400 and 1000 units shall be applied. Mandatory confiscation shall also apply for the equivalent of the price, profit or product of the crime. Interdictory Sanctions per Legislative Decree 231/01: 1) debarment from exercising activity, 2) suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense, 3) disqualification from contracting with the Public Administration, except to obtain the provision of a public service, 4) exclusion from incentives, financing, contributions or subsidies and possible revocation of those already granted, 5) debarment from advertising goods or services. For a period of no more than two years.

6.2 Areas at risk of offenses

The potential areas at risk of crime, within the scope of the offenses of receiving stolen goods, money laundering and the use of money, goods or benefits of illicit origin, which Elma Research has identified, concern:

- management of customer and supplier relations;
- definition of payment methods;
- marketing and sales management.

Any changes or additions to the aforementioned areas at risk of offenses shall be left to the Board of Directors, also upon proposal by the SB, which will submit them to the Board of Directors, which may proceed with the subsequent ratification as indicated in paragraph 2.5 of this Model.

6.3 Rules of conduct

6.3.1 General standards

Model Recipients must comply with the rules of conduct contained in this Model in the performance of their respective duties or functions. In addition, they must know and comply with the rules governing the Company's Articles of Association, operating procedures and any other internal regulations relating to the Corporate Governance system.

Specifically, this Special Part provides that the following shall be expressly prohibited:

- engaging in conduct that would supplement the types of offenses considered above (Articles 25-octies of the Decree) or conduct that although not constituting an offense in itself, could potentially become one;
- conducting commercial relations with persons (physical or legal - such as, for example, local promoters or ticket vendors) whose membership in criminal organizations is known or suspected, or who in any case operate outside the law, such as, for example, persons linked to the world of money laundering, terrorism, drug trafficking, usury, etc.;
- using instruments that are not linked to standard procedures for the execution of transfer operations of significant amounts;
- accepting contractual relationships with customers or other contractual counterparties who have their headquarters or residence in or who have any connection with countries considered as non-cooperative by the FATF (such as the Cook Islands, Indonesia, Myanmar, Nigeria, the Philippines and Nauru);
- making monetary donations to individuals, companies or organizations convicted of engaging in illegal activities, especially terrorist activities or the subversion of public order;
- having contacts with individuals on the anti-terrorism blacklist available at http://ec.europa.eu/external_relations/cfsp/sanctions/list/version4/global/e_ctlview.html

In addition, Recipients are expressly obliged to:

- request all the necessary information about suppliers and partners in order to assess their reliability and economic soundness;

- make sure that all payments are made with precise regularity, especially by verifying that there is a connection between the person in whose name the order is made and the person who collects the amounts;
- conduct themselves correctly, transparently, in good faith and cooperatively, in compliance with the law and internal company procedures, in all activities aimed at managing the personal data of suppliers and customers, as better specified in paragraph 6.3.2 below;
- pay particular attention to payments received from foreign credit institutions/customers.

6.3.2 Specific procedural principles

Specific standards of conduct to be maintained, in relation to the identified risk areas, in compliance with the Decree are set out below:

- the Company should create a specific dossier of suppliers where it collects and collates the most significant information about them (such as, the legal representative, the country of residence, the type of business, etc.) so that the requirements of integrity and professionalism of the counterparties with whom the Company works could be inferred;
- the Company should then proceed with selecting its suppliers and business partners in a manner that will permit an unbiased and transparent comparison of offers. Selection should be based on objective and documented criteria, verifying their commercial reliability (for example, through ordinary visits to the Chamber of Commerce or equivalent certificates from foreign jurisdictions. References from other parties already in relations with the Company or public institutions or professional associations or firms with excellent reputations are also valuable; anti-mafia certificates or certificates of pending proceedings for the directors or equivalent certificates from foreign jurisdictions would also be useful);
- the Company will include a specific clause in its contracts with commercial Partners wherein they will declare that they are aware of Elma Research's ethical and behavioral standards and the principles contained in the Model. They shall also undertake to comply with those standards. Failure to comply with ethical conduct or false declarations relating to the partner's situation will result in the application of a penalty or, depending on the seriousness, termination of the contract;
- no payments in cash, unless below a certain established threshold, will be accepted by the Company;
- the Company constantly monitors its corporate financial flows, especially the origins of payments. These controls shall take into account the registered office of the contractual counterparty (e.g. tax havens, countries at risk of terrorism), credit institutions used (registered offices of the banks involved in the transactions) and any fiduciary facilities used for extraordinary transactions or operations;
- when considering donations of money to individuals, companies or organizations, the seriousness and professionalism of the recipient of the money must be verified. In addition, an investment plan is to be drawn up to justify the outlay, including periodic checks on the plan's progress;
- the Company shall verify ex ante that the persons with whom it has contractual relations, including business relations, are not included on the anti-terrorism blacklist.

6.4. Duties of the Supervisory Board

Notwithstanding the SB's discretionary power to activate specific controls after receiving reports (see the explanation in the General Part of this Model), the SB shall be responsible for:

- making periodic checks on compliance with this Special Part and evaluating its effectiveness in preventing the commission of the crimes referred to in Article 25-octies of the Decree. To this end, the SB shall conduct spot checks on activities potentially at risk of money laundering offenses, aimed at verifying their correct implementation in relation to the rules set out in this Model and, in particular, the internal procedures in place;
- proposing and collaborating in the preparation of oversight procedures relating to the conduct to be followed in the areas at risk identified in this Special Part.

Therefore, the Supervisory Board shall be guaranteed free access to all relevant company documentation.