



MODEL OF ORGANISATION,

MANAGEMENT AND CONTROL

pursuant to Legislative Decree No. 231/2001

13.07.2023

(i) DEFINITIONS

Decree or Italian Legislative Decree No. 231/01: Italian Legislative Decree No. 231 of 8 June 2001 on Administrative Liability of Legal Entities, Companies and Associations, Including Those unincorporated, as amended;

Recipients: Company representatives and all personnel of **Beta Utensili S.p.A.** and persons who cooperate in any capacity under contract with **Beta Utensili S.p.A.**;

Model: the Organisation, Management and Control Model;

Supervisory Body: the Body contemplated by this Model;

P.A.: the Public Administration;

Receiver: a person who, for whatever reason, is the recipient of a Whistleblowing Report;

Whistleblower: an individual who makes a Report or public disclosure of information about violations acquired in the context of his/her work context;

Reporting: written communication of information on the violations indicated by Legislative Decree No. 24/2023;

Reporting (channels): channels suitable to guarantee, also by computerised means, the confidentiality of the identity of the Whistleblower. Among the reporting channels, the Company has adopted the written reporting channel through a dedicated portal or through a Report to be sent in a sealed envelope to the attention of the Supervisory Body;

Documentary system: Protocols of conduct and/or Procedures, integral parts of the Model, or rules of conduct provided for by the Model and/or the Code of Ethics, aimed at mitigating the risk of the commission of the predicate offences;

Company or Entity: **Beta Utensili S.p.A.**

Whistleblowing: the reporting of unlawful conduct, violations of national or European Union law, which harms the public interest or the integrity of the public administration or the Company, of which persons (Whistleblowers) have become aware in the course of their work within the Company itself or in other circumstances.

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INTRODUCTION

Presentation of Beta Utensili S.p.A.

Beta Utensili S.p.A.¹ is a leading company in Italy and one of the most important European producers involved in manufacturing and distributing manual tools and equipment, primarily for industry, car repair and hardware.

The Company is active in the business of professional hand tools through the production, at its three plants in Sovico (MB), Castiglione d'Adda (LO) and Sulmona (AQ), of professional tools and specialised assortments, containers, hooks and lifting accessories, pneumatic tools, safety footwear and workwear, accessories for cables, carts, automotive products, and sealing and lubricating product lines.

Beta Utensili S.p.A. has a distribution network of approximately 200 importers and distributors doing business in almost 100 countries and has a worldwide presence with subsidiaries in China, Brazil, the United Kingdom, Poland, France, Holland, Hungary, Spain and, through its Italian subsidiary BM S.p.A., in Slovenia.

The Company owns the trademarks BETA, Robur, Beta Work and Sigma, among others.

¹ **Beta Utensili S.p.A.**, VAT 09321470966, is based in Sovico (MB), via Volta no. 18.

Objectives of the Model.

Italian Legislative Decree No. 231 of 8 June 2001², on Administrative Liability of Legal Entities, Companies and Associations, including Those Without Legal Personality, under Article 11 of Italian Law No. 300 of 29 September 2000, introduced administrative liability of entities for certain types of crimes to the Italian legal system, if those crimes are committed by:

- top management (i.e., persons with functions representing, managing and directing the entity and persons exercising management and control of the entity, either de jure or de facto) (“senior managers”);
- persons subject to another person’s direction or supervision, in the interest or for the benefit of the entities (“subordinate persons”).

The Decree provides that adopting and effectively implementing an Organisation, Management and Control Model aimed at preventing the commission of the crimes contemplated by the Decree will **exonerate** the entity from liability.

If a crime cited by the Decree is committed and the Company cannot demonstrate that it **adopted and effectively implemented** an Organisation, Management and Control Model, it exposes itself to the risk of fines and disqualification measures.

An Organisation, Management and Control Model adopted in accordance with the Decree must be **created and implemented** to prevent, within reasonable limits, the commission of the crimes contemplated by the Decree.

In that context, **Beta Utensili S.p.A.:**

- adopted an Organisation, Management and Control Model;
- adopted a Code of Ethics; and
- established a Supervisory Body to monitor compliance with and the functioning and updating of the implemented Model.

² The measure, entitled *Administrative Liability of Legal Entities, Companies and Associations, including Those Without Legal Personality*, published in Italian Official Journal No. 140 of 19 June 2001, was enacted to carry out the delegation to the Government under Article 11 of Italian Law No. 300 of 29 September 2000, No. 300. This Law was based on a series of acts promulgated internationally on the basis of Article K.3 of the Treaty on European Union: Convention on the protection of the European Communities’ financial interests, executed in Brussels on 26 July 1995; its first Protocol executed in Dublin on 27 September 1996; the Protocol on the interpretation, by way of preliminary rulings, by the Court of Justice of the European Communities of that Convention, with appended declaration, executed in Brussels on 29 November 1996; the Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union executed in Brussels on 26 May

This Model is operationally composed of a GENERAL PART, a CODE OF ETHICS, a SPECIAL PART, and PROTOCOLS of conduct and/or PROCEDURES, aimed at mitigating the risk of the commission of the predicate offences.

1997; and the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, with annex, executed in Paris on 17 December 1997.

GENERAL PART

1. Entities' administrative liability: introduction.

1.1) Legal framework of the liability.

Legislative Decree No. 231/2001 introduced a specific type of liability to the Italian legal system, which is called administrative liability but which is of a punitive (essentially criminal) nature, that is imposed on companies, associations and entities generally, for certain crimes, if committed in their interest or for their benefit by a natural person who is in top management or is an employee.

Prerequisites for application:

- the entity is among those to which the Decree applies (Article 1);
- the commission of a crime listed by the Decree (Article 24 et seq.), in the interest or for the benefit of the entity;
- the perpetrator of the crime has top management (Article 6) or subordinate (Article 7) functions within the entity;
- the entity failed to adopt or implement an organisation, management and control model aimed at preventing the commission of crimes of the type that was committed;
- alternatively, but only in the case of a crime committed by top management, failure to assign independent powers of initiative and control to a specific body within the entity (or inadequate oversight by that body) and fraudulent evasion by top management of the organisation, management and control model adopted by the entity.

1.2.) The legal construct.

A crime is considered committed by the entity when **elements grounding liability** are established and **elements exempting from liability** are lacking.

1.2.1) Elements grounding liability.

- The Decree applies to all companies or associations, including those lacking legal personality, and to all entities with legal personality, except for the State and entities performing constitutional functions, territorial public entities, and other non-economic public entities;

- Liability is triggered whenever a crime is committed:

- that is among those indicated by the Decree in the specific list (Article 24 et seq.);

- **in the interest** or **for the benefit** of the entity unless, in the latter case, the crime was committed solely in the interest of the perpetrator or third parties; and
- by a natural person, who is:
 - **top management**, namely, he or she exercises functions representing, managing or directing the entity or one of its organisational units that has financial and functional independence, or exercises, either de jure or de facto, management and control of the same (“top management”); or
 - **subject to** top management’s direction or supervision (a “subordinate person”).

The list of crimes.

As of the date the Model was approved, the Decree cited the following Crimes, also in relation to attempted felonies, as prerequisites for the entity’s liability:

Crimes against the Public Administration – Articles 24 and 25
<ul style="list-style-type: none"> - Embezzlement (Article 314, par. 4 of the Italian Criminal Code); - Embezzlement by profiting from another person's error (Article 316 of the Italian Criminal Code); - Misappropriation of public funds (Article 316 <i>bis</i> of the Italian Criminal Code); - Misappropriation of public funds (Article 316 <i>ter</i> of the Italian Criminal Code); - Extortion committed by a public official or a person providing a public service (Article 317, of the Italian Criminal Code); - Corruption by performing public duties (Article 318, of the Italian Criminal Code); - Corruption in performing an action contrary to official duties (Article 319, of the Italian Criminal Code), including in the aggravated form (Article 319 <i>bis</i>, of the Italian Criminal Code); - Corruption in legal proceedings (Article 319 <i>ter</i>, of the Italian Criminal Code); - Improper solicitation to give or promise any undue advantage (Article 319 <i>quater</i>, of the Italian Criminal Code); - Corruption of a public service representative (Article 320, of the Italian Criminal Code); - Sanctions imposed on the corruptor (Article 321, of the Italian Criminal Code);

- Solicitation to corrupt (Article 322, of the Italian Criminal Code);
- Abuse of office (Article 323 of the Italian Criminal Code);
- Embezzlement, extortion by a public official or a person providing a public service, improper solicitation to give or promise an undue advantage, corruption and solicitation to corrupt, abuse of office of international Courts' members, or European Union institutions' members, or international parliaments' members, or international organisation's members and European Union and foreign state officials (Article 322 *bis*, of the Italian Criminal Code);
- Influence peddling (Article 346 *bis*, of the Italian Criminal Code);
- Fraud in public supply (Article 356 of the Italian Criminal Code);
- Fraud to the detriment of the State or other public body or the European Union (Article 640, par. 2, n. 1 of the Italian Criminal Code);
- Aggravated fraud to obtain public funding (Article 640 *bis*, of the Italian Criminal Code);
- Computer fraud (Article 640 *ter* of the Italian criminal Code).

Cybercrimes and unlawful data processing crimes – Article 24 *bis*

- Computer documents (Article 491 *bis*, of the Italian Criminal Code);
- Unlawful access to a computer or electronic system (Article 615 *ter*, of the Italian Criminal Code);
- Unauthorised possession, dissemination and installation of equipment, codes and other means of accessing computer or telecommunications systems (Article 615 *quater*, of the Italian Criminal Code);
- Unauthorised dissemination, distribution and installation of computer equipment, devices or programmes intended to damage or disrupt a computer or telecommunications system (Article 615 *quinquies* of the Italian Criminal Code);
- Unlawfully wiretapping, blocking or disrupting computer or electronic communications (Article 617 *quater*, of the Italian Criminal Code);
- Unauthorised possession, dissemination and installation of equipment and other means of intercepting, impeding or interrupting computer or telematic communications (Article 617 *quinquies*, of the Criminal Code)
- Harm to computer information, data and programs (Article 635 *bis*, of the Italian Criminal

Code);

- Harm to computer information, data and programs used by the Government or another public entity or that is of public benefit (Article 635 *ter*, of the Italian Criminal Code);
- Harm to computer or electronic systems (Article 635 *quater*, of the Italian Criminal Code);
- Harm to computer or electronic systems of public benefit (Article 635 *quinquies*, of the Italian Criminal Code);
- Computer fraud by a party providing electronic signature certification services (Article 640 *quinquies*, of the Italian Criminal Code).

Organised crime offences - Article 24 *ter*

- Criminal association (Article 416, of the Italian Criminal Code);
- Mafia syndicates, also foreign (Article 416 *bis*, of the Italian Criminal Code);
- Political/mafia vote buying (Article 416 *ter*, of the Italian Criminal Code);
- Kidnapping for purposes of extortion (Article 630, of the Italian Criminal Code);
- Criminal association aimed at unlawful drug trafficking or dealing in psychotropic substances (Article 74, Italian Presidential Decree No. 309/1990);
- Weapons-related offences (Article 407, par. 2, lett. a), n. 5), of the Italian Code of Criminal Procedure);
- Criminal association to smuggle foreign processed tobacco (Article 10, Italian Law No. 146/2006 and Art. 291 *quater* Presidential Decree No. 43/1973);
- Cross-border criminal association (Article 10, Italian Law No. 146/2006 and Article 416 of the Criminal Code);
- Mafia-type association committed in a transnational manner (Art. 10 Italian Law No. 146/2006 and Article 416 *bis*, of the Italian Criminal Code);
- Association for unlawful cross-border drug trafficking or dealing in psychotropic substances (Article 10, Italian Law No. 146/2006 and Article 74 Presidential Decree No. 309/1990).

Crimes against public trust – Article 25 *bis*

- Counterfeiting of money, spending and introduction into the State, in concert, of counterfeit money (Article 453, of the Italian Criminal Code);

- Altering currency (Article 454, of the Italian Criminal Code);
- Circulation and non-complicit introduction of counterfeit currency into the national domain (Article 455, of the Italian Criminal Code);
- Circulation of counterfeit currency received in good faith (Article 457, of the Italian Criminal Code);
- Falsification of revenue stamps, introduction into the national domain, purchase, possession or distribution of counterfeit revenue stamps (Article 459, of the Italian Criminal Code);
- Counterfeiting watermarked paper used to manufacture card payment methods (*carte di pubblico credito*) or revenue stamps (Article 460, of the Italian Criminal Code);
- Manufacture or possession of watermarks or equipment intended to produce counterfeit currency, revenue stamps or watermarked paper (Article 461, of the Italian Criminal Code);
- Using counterfeit or altered revenue stamps (Article 464, of the Italian Criminal Code);
- Counterfeiting, alteration or use of trademarks or distinctive signs or of patents, models and designs (Article 473, of the Italian Criminal Code);
- Introduction into the national domain and trading in products with counterfeit marks (Article 474, of the Italian Criminal Code).

Crimes against industry and trade - Article 25 bis.1

- Disruption to free industry or trade (Article 513, of the Italian Criminal Code);
- Unlawful competition involving threats or violence (Article 513 bis, of the Italian Criminal Code);
- Domestic industry fraud (Article 514, of the Italian Criminal Code);
- Fraud in the operation of trade (Article 515, of the Italian Criminal Code);
- Selling non-genuine foodstuffs as genuine (Article 516, of the Italian Criminal Code);
- Sale of industrial products with misleading signs (Article 517, of the Italian Criminal Code);
- Production and sale of goods through appropriation of industrial property rights (Article 517 *ter*, of the Italian Criminal Code);
- Falsifying the geographic origin or designations of origin of agricultural products (Article 517 *quater*, of the Italian Criminal Code).

Corporate crimes – Article 25 ter

- False corporate communications (Article 2621, of the Italian Civil Code);
- Minor events (Article 2621 *bis*, of the Italian Civil Code);
- False corporate communications of listed companies (Article 2622, of the Italian Civil Code);
- Interference with the company's auditing (Article 2625, par. 2, of the Italian Civil Code);
- Undue repayment of contributions (Article 2626, of the Italian Civil Code);
- Unlawful distribution of dividends and reserves (Article 2627, of the Italian Civil Code);
- Unlawful transactions involving the company's or the parent company's shares (Article 2628, of the Italian Civil Code);
- Transactions causing prejudice to creditors (Article 2629, of the Italian Civil Code);
- Failure to disclose a conflict of interest (Article 2629 *bis*, of the Italian Civil Code);
- Fraudulent capitalisation (Article 2632, of the Italian Civil Code);
- Undue distribution of company assets by liquidators (Article 2633, of the Italian Civil Code);
- Corruption between private parties (Article 2635, of the Italian Civil Code);
- Solicitation to corruption between private parties (Article 2635 *bis*, of the Italian Civil Code);
- Undue influence on the shareholders' meeting (Article 2636, of the Italian Civil Code);
- Stock manipulation (Article 2637, of the Italian Civil Code);
- Hindrance to the performance of supervisory functions by public supervisory authorities (Article 2638, of the Italian Civil Code).
- False or omitted declarations for the issuance of the preliminary certificate (Article 54 of Legislative Decree No. 19/2023).

Crimes for purposes of terrorism or to subvert the democratic order - Article 25 quater

- Crimes for purposes of terrorism or to subvert the democratic order under the Italian Criminal Code or special laws.

Female genital mutilation - Article 25 quater.1

- Female genital mutilation (Article 583 *bis*, of the Italian Criminal Code)

Crimes against the individual - Article 25 quinquies

- Enslavement or maintaining slavery or servitude (Article 600, of the Italian Criminal Code);
- Child prostitution (Article 600 *bis*, of the Italian Criminal Code);
- Child pornography (Article 600 *ter*, of the Italian Criminal Code);
- Possession or access to pornographic material (Article 600 *quater*, of the Italian Criminal Code);
- Virtual pornography (Article 600 *quater.1*, of the Italian Criminal Code);
- Tourism initiatives intended to exploit child prostitution (Article 600 *quinquies*, of the Italian Criminal Code);
- Human trafficking (Article 601, of the Italian Criminal Code);
- Purchase and sale of slaves (Article 602, of the Italian Criminal Code);
- Illicit workforce intermediation and labour exploitation (Article 603 *bis*, of the Italian Criminal Code);
- Solicitation of minors (Article 609 *undecies*, of the Italian Criminal Code).

Market abuses - Article 25 *sexies*

- Insider trading (Article 184, Italian Consolidated Law on Finance);
- Market manipulation (Article 185, Italian Consolidated Law on Finance).

Manslaughter or serious or very serious negligent bodily injuries committed in breach of workplace health and safety laws - Article 25 *septies*

- Manslaughter (Article 589, of the Italian Criminal Code);
- Unintentional bodily harm (Article 590, par. 3 of the Italian Criminal Code).

Handling stolen goods, laundering and use of money, goods or benefits of illegal origin, as well as self-laundering - Article 25 *octies*

- Handling stolen goods (Article 648, of the Italian Criminal Code);
- Money laundering (Article 648 *bis*, of the Italian Criminal Code);
- Utilisation of money, goods or assets of illegal origin (Article 648 *ter*, of the Italian Criminal Code);
- Self-laundering (Article 648 *ter.1*, of the Italian Criminal Code).

Offences relating to non-cash payment instruments - Article 25 *octies.1*

- Misuse and counterfeiting of non-cash payment instruments (Article 493 *ter*, of the of the Italian Criminal Code);
- Possession and distribution of computer equipment, devices or programmes aimed at committing offences involving non-cash payment instruments (Article 493 *quater* of the Italian Criminal Code);
- Computer fraud (Article 640 *ter*, of the Italian Criminal Code);
- any other offence against public faith, against property or otherwise offending against property provided for in the Italian Criminal Code, when it relates to non-cash means of payment and unless the act constitutes another administrative offence sanctioned more seriously.

Crimes involving copyright infringement – Article 25 *novies*

- Making a copyrighted work or part of same available to the public by introducing it into an IT network via any sort of connection; the crimes are punished even if committed as to works of others not intended for publication, if the author's honour or reputation is harmed (Article 171, par. 1, lett. *a-bis* and par. 3, Italian Law No. 633/1941);
- Unauthorised duplication, for profit, of computer programmes; import, distribution, sale or possession for commercial or entrepreneurial purposes or rental of programmes contained in media not marked by the SIAE; preparation of means to remove or circumvent the protection devices of computer programmes (Article 171 *bis*, par. 1), Italian Law No. 633/1941); reproduction, transfer to another medium, distribution, communication, presentation or demonstration in public, of the contents of a database; extraction or re-use of the database; distribution, sale or rental of databases (Art. 171 *bis*, par. 2, Italian Law No. 633/1941);
- Abusive duplication, reproduction, transmission or public dissemination using any process, in whole or in part, of intellectual property intended for the television, cinema, sale or rental of disks, tapes or similar media or any other medium containing phonograms or videograms of assimilated musical, cinematographic or audio-visual works or sequences of moving images; literary, dramatic, scientific or educational, musical, dramatic musical or multimedia works, even if included in collective or composite works or databases; abusive reproduction, duplication, transmission or dissemination, sale or trade, illegal transfer of any kind or importing of over 50 copies or samples of works protected by copyright and related rights; or introduction into an electronic networks system, through connections of any kind, of an intellectual work protected by copyright, or any portion thereof (Article 171 *ter*, Italian Law No. 633/1941);

- Failure to provide identification data to SIAE [Società Italiana degli Autori ed Editori] for media not subject to labelling or false statement (Article 171 *septies*, Italian Law No. 633/1941);
- Fraudulent production, sale, import, promotion, installation, modification, public and private use of equipment or parts of equipment to decode audio-visual transmissions with conditional access broadcast over the air or via satellite or cable, in both analogue and digital form (Article 171 *octies*, Italian Law No. 633/1941).

Solicitation not to provide statements or to provide mendacious statements to the judicial authorities – Article 25 *decies*

- Solicitation not to provide statements or to provide mendacious statements to the judicial authorities (Article 377 *bis*, of the Italian Criminal Code);
- Cross-border solicitation not to provide statements or to provide mendacious statements to the judicial authorities (Article 10, Italian Law No. 146/2006 and Article 377 *bis*, of the Italian Criminal Code);
- Personal aiding and abetting committed transnationally (Art. 10 Italian Law No. 146/2006 and Article 378, of the Italian Criminal Code).

Environmental crimes - Article 25 *undecies*

- Environmental pollution (Article 452 *bis*, of the Italian Criminal Code);
- Environmental disaster (Article 452 *quater*, of the Italian Criminal Code);
- Negligent crimes against the environment (Article 452 *quinquies*, of the Italian Criminal Code);
- Trafficking and dumping of highly radioactive waste (Article 452 *sexies*, of the Italian Criminal Code);
- Environmental crimes committed in associated form under Articles 416 and 416 *bis*, of the Italian Criminal Code (Article 452 *octies*, of the Italian Criminal Code);
- Killing, destruction, capture, collection or possession of protected wild animal or plant species (Article 727 *bis*, of the Italian Criminal Code);
- Destruction or deterioration of habitat in a protected site (Article 733 *bis*, of the Italian Criminal Code);
- Discharging wastewater in breach of the requirements in the authorisation (Article 137, par. 3, Italian Legislative Decree No. 152 of 3 April 2006) and the limits set forth in tables for certain

substances (Article 137, par. 5, first sentence, Italian Legislative Decree No. 152 of 3 April 2006);

- Discharging into the sea of prohibited substances by ocean vessels or aircraft (Article 137, par. 13, Italian Legislative Decree No. 152 of 3 April 2006);
- Discharging wastewater without authorisation or with a suspended or revoked authorisation regarding certain hazardous substances (Article 137, par. 2, Italian Legislative Decree No. 152 of 3 April 2006);
- Discharging wastewater in breach of the limits set forth in tables for certain particularly hazardous substances (Article 137, par. 5, second sentence, Italian Legislative Decree No. 152 of 3 April 2006);
- Contamination of the soil, subsoil or groundwater (Article 137, par. 11, Italian Legislative Decree No. 152 of 3 April 2006) in breach of the prohibitions in Articles 103 and 104 of Italian Legislative Decree No. 152 of 3 April 2006;
- Negligent dumping of harmful substances into the sea (Article 9, Italian Legislative Decree No. 202/07);
- Intentional dumping of harmful substances into the sea (Article 8, Italian Legislative Decree No. 202/07).

In regard to **waste**, the entity's liability is triggered by the following offences:

- Unlawful handling of non-hazardous waste (Article 256, par. 1, lett. a) of Italian Legislative Decree No. 152 of 3 April 2006) and temporary storage of hazardous medical waste where it was produced (Article 256, par. 6, Italian Legislative Decree No. 152 of 3 April 2006);
- Unlawful handling of hazardous waste (Article 256, par. 1, lett. b) of Italian Legislative Decree No. 152 of 3 April 2006); creating and conducting unauthorised waste disposal business of non-hazardous waste (Article 256, par. 3, first sentence, Italian Legislative Decree No. 152 of 3 April 2006); mixing waste (Article 256, par. 5, Italian Legislative Decree No. 152 of 3 April 2006);
- Creating and conducting unauthorised waste disposal business of hazardous waste (Article 256, par. 3, second sentence, par. 4, Italian Legislative Decree No. 152 of 3 April 2006);
- Failure to clean up a site contaminated by non-hazardous waste (Article 257, par. 1, Italian Legislative Decree No. 152 of 3 April 2006) and hazardous waste (Article 257, par. 2, Italian

Legislative Decree No. 152 of 3 April 2006);

- Transporting hazardous waste without a form and failure to record the relevant data in the form (Article 258, par. 4, second sentence, Italian Legislative Decree No. 152 of 3 April 2006);
- Illegal waste trafficking (Article 259, par. 1, Italian Legislative Decree No. 152 of 3 April 2006);
- Illegal organised waste trafficking activities (Article 260, Italian Legislative Decree No. 152 of 3 April 2006³);
- Computerised waste traceability control system (Article. 260 *bis* Legislative Decree No. 152 of 3 April 2006).

In regard to **air pollution**, the entity's liability is triggered by the following offences:

- Exceeding emission limits and air quality limits imposed by industry laws (Article 279, par. 5, Italian Legislative Decree No. 152 of 3 April 2006);
- Breach of laws requiring interruption and reduction of the use (production, use, sale, import and export) of ozone-depleting substances (Article 3, par. 6, Italian Law 549/1993).

In regard to trade in **protected animal and plant species**:

- Import, export, possession, use for profit, purchase, sale, displaying or possession for sale or commercial purposes of protected species (Article 1 and Article 2, Italian Law No. 150/92);
- Falsification or alteration of certificates and licenses; false or altered notifications, communications or statements to obtain a certificate or license; use of false or altered certificates and licenses to import animals (Article 3 bis, par. 1, Italian Law No.150/92);
- Possession of live wild mammal and reptile species and live mammals and reptiles that were bred in captivity that endanger public health and safety (Article 6, Italian Law No. 150/92).

Employment of citizens of other countries whose residence is illegal – Article 25 *duodecies*

- Aggravated employment of citizens of other countries without a residence permit or with an unlawful residence permit (Article 22, par. 12 *bis*, Italian Legislative Decree No. 286/1998);
- Measures to fight illegal immigration (Article 12, par. 3, 3 *bis*, 3 *ter* and 5, Italian Legislative

³ The Decree still cites Article 260, Italian Consolidated Law on Environment. This rule, however, was repealed by Legislative Decree No. 21/2018, "Code Reserve", and the contents of the same are included in Article 452 *quaterdecies* of the Italian Criminal Code.

<p>Decree No. 286/1998);</p> <ul style="list-style-type: none"> - Provisions against illegal immigration when committed transnationally (Law 146/2006 and Article 12, par. 3, 3a, 3b and 5 of Legislative Decree No. 286/1998).
<p>Racism and xenophobia - Article 25 <i>terdecies</i></p>
<p>Propaganda and solicitation to commit a crime for reasons of racial, ethnic and religious discrimination (Article 3, par. 3 <i>bis</i>, Italian Law No. 654/1975⁴).</p>
<p>Fraud in sports competitions, unlawful gambling and betting and games of chance using prohibited equipment - Article 25 <i>quaterdecies</i></p>
<ul style="list-style-type: none"> - Fraud in sports competitions (Article 1, Italian Law No. 401/1989); - Unlawful gambling and betting (Article 4, Italian Law No. 401/1989).
<p>Tax offences - Article 25 <i>quingiesdecies</i></p>
<ul style="list-style-type: none"> - Fraudulent declaration using false invoices or other documents for non-existent transactions (Article 2 of Legislative Decree No. 74/2000); - Fraudulent declaration by means of other artifices (Article 3 of Legislative Decree No. 74/2000); - Untrue declaration, committed for the purpose of evading value added tax in the context of cross-border schemes connected to the territory of at least one other Member State of the European Union, resulting in or likely to result in overall damage equal to or exceeding € 10 million (Article 4 of Legislative Decree No. 75/2000); - Failure to make a declaration, committed for the purpose of evading value added tax within the framework of cross-border systems connected to the territory of at least one other Member State of the European Union, resulting in or likely to result in overall damage equal to or exceeding € 10 million (Article 5 of Legislative Decree No. 74/2000); - Issuance of invoices or other documents for non-existent transactions (Article 8 of Legislative Decree No. 74/2000); - Concealment or destruction of accounting documents (Article 10 of Legislative Decree No. 74/2000); - Undue compensation, committed for the purpose of evading value added tax within the framework of cross-border schemes connected to the territory of at least one other Member State of the European Union, resulting or likely to result in overall damage equal to or exceeding € 10

⁴ The Decree still cites Article 3, par. 3 *bis*, Italian Law No. 654/75. This rule, however, was repealed by Legislative Decree No. 21/2018, "Code Reserve", and the contents of the same have been incorporated into Article 604 *bis*, of the Italian Criminal Code.

<p>million (Article 10 <i>quater</i> of Legislative Decree No. 74/2000);</p> <p>- Fraudulent evasion of taxes (Article 11 of Legislative Decree No. 74/2000).</p>
<p>Smuggling - Art. 25 <i>sexiesdecies</i></p> <p>Offences under Presidential Decree No. 43 of 23 January 1973.</p>
<p>Crimes against the cultural heritage - Article 25 <i>septiesdecies</i></p>
<ul style="list-style-type: none"> - Theft of cultural goods (Article 518 <i>bis</i>, of the Italian Criminal Code); - Misappropriation of cultural property (Article 518 <i>ter</i>, of the Italian Criminal Code); - Receiving stolen cultural goods (Article 518 <i>quater</i>, of the Italian Criminal Code); - Forgery in a private contract relating to cultural goods (Article 518 <i>octies</i>, of the Italian Criminal Code); - Violations relating to the alienation of cultural goods (Article 518 <i>novies</i>, of the Italian Criminal Code); - Illegal importation of cultural goods (Article 518 <i>decies</i>, of the Italian Criminal Code); - Illegal export or export of cultural goods (Article 518 <i>undecies</i>, of the Italian Criminal Code); - Destruction, dispersal, deterioration, defacement, defacement and unlawful use of cultural or landscape heritage (Article 518 <i>duodecies</i>, of the Italian Criminal Code); - Counterfeiting of works of art (Article 518 <i>quaterdecies</i>, of the Italian Criminal Code).
<p>Laundering of cultural goods and devastation and looting of cultural and landscape assets - Article 25 <i>duodevicies</i></p>
<ul style="list-style-type: none"> - Money laundering (Article 518 <i>sexies</i> of the Italian Criminal Code); - Destruction and looting of cultural or landscape heritage (Article 518 <i>terdecies</i>, of the Italian Criminal Code).

1.2.2) Elements exempting from liability.

Even if all of the **elements grounding liability** described are established, the entity will **not be liable** under the Decree if the crime was committed:

➤ by **top management**, if the entity proves that:

- before the crime was committed, the managing body adopted and effectively implemented an organisation, management and control model aimed at preventing crimes of the type that was committed;
- responsibility for overseeing the functioning of and compliance with the organisation, management and control model and updating it was entrusted to a body within the entity with independent powers of initiative and control (the Supervisory Body);
- the individuals committed the crime by fraudulently circumventing the organisation, management and control models;
- the Supervisory Body did not fail to or did not inadequately exercise oversight;

➤ by a **subordinate person**, if the direction or monitoring obligations were complied with. In any event, there can be no finding of noncompliance with the direction or oversight obligations if the entity adopted and effectively implemented an organisation, management and control model before the crime was committed.

1.3) Group Interest.

In situations where interlocking corporate ownership leads to a determination that a Group exists, a crime whose beneficial effects are likely to immediately affect a subsidiary's legal sphere cannot necessarily be said to have been committed solely in its interest, since the results of its operations will inevitably affect the results of the Group to which it belongs.

In that event, the involvement of the parent company's top management in the commission of the crime will result in the liability of the parent company, because, by virtue of the powers of direction and control resulting from its position, it is the holder of the Group interest.

The subsidiary's interest is, in any event, also the parent company's interest, since the parent benefits from the subsidiary's success.

The legal barrier to extending liability to the holding company is that there must be a qualified relationship between it and the natural person who committed the crime (top management or subordinate person within the entity) for the holding company to be liable.

However, as has been authoritatively held, the requirement above can be circumvented by resorting to the category of failing to prevent the commission of a crime by another person (under Article 40, paragraph 2, Italian Criminal Code), supplemented by the notion of complicity of persons by omission.

In the case of a crime committed by a director or officer (or subordinate person) of a company – obviously, a crime that is relevant for purposes of the entity's liability and is in the interest of that company –, it is easy to imagine the natural persons who manage or direct the holding company being accused of not having prevented the crime and thus the accusation of complicity in the crime by failing to prevent it (Article 40, par. 2 and Article 110, of the Italian Criminal Code).

Liability within corporate groups can easily migrate, including based on the notion of the de facto director, currently defined by Article 2639, of the Italian Civil Code.

Apart from the very common cases in which a director of the holding company is also a "legal" co-director officer of the subsidiary (normally, an operating subsidiary), it often happens that the natural person who committed the crime and is in the subsidiary's organisational chart is charged with being a "de facto director" of the parent company (or the reverse: a director of the holding company is deemed a "de facto director" of an operating subsidiary).

It must therefore be reiterated that a "group interest" cannot be inferred from the mere existence of the group: it is indisputable that there can be a finding that the action of the individual subsidiary was inspired by the pursuit of an interest that transcends its own (and which, therefore, can even conflict with its interest), but this cannot automatically be inferred from a company merely belonging to a group; a specific finding to that effect must be made.

It is thus even less automatic that the group interest will be imputed to the parent company, which is always understood to be the holder of the group interest.

1.4) Crimes committed abroad.

Under Article 4 of the Decree, the entity may be liable in Italy for crimes committed abroad.

The prerequisites:

- the crime must have been committed abroad by a party that is functionally connected to the entity under Article 5, par. 1 of the Decree;
- the entity must have its main office in Italy;
- the entity is liable only in the cases and under the conditions set forth in Articles 7, 8, 9 and 10, Italian Criminal Code;

- if the cases and conditions set forth in the above articles of the Italian Criminal Code are met, the entity will be liable if the government of the State where the crime was committed does not take action.

1.5) Sanctions.

The Decree imposes the following sanctions on the entity:

- fines;
- disqualification measures;
- publication of the sanctioning decision;
- confiscation.

The above sanctions are imposed at the end of criminal proceedings. **Disqualification** measures can also be imposed by the Court as **interim** measure, but never concurrently, at the Public Prosecutor's request, when both of the following conditions are met:

- there are serious indices that the entity is liable under the Decree;
- there is founded and specific evidence that there is an actual danger that crimes of the same type as that involved in the case will be committed.

a) Fines.

The fine entails payment of a sum of money established by the Decree of not less than € 10,329.00 nor more (except in specific cases) than € 1,549,000.00, to be determined by the Court using a two-stage assessment system, based on determining the value of a single share that is then multiplied by a number of shares based on an assessment of the legal entity's liability and its economic capacity (the "system by shares").

Shares cannot be less than 100 (one hundred) nor more than 1,000 (one thousand), while the value of a share ranges from a minimum of € 258.22 to a maximum of € 1,549.37 (Article 10 of the Decree).

b) Disqualification sanctions.

Disqualification measures consist of:

- ban on engaging in business, which entails suspension or revocation of the authorisations, licenses or concessions needed to conduct business;
- suspension or revocation of the authorisations, licenses or concessions involved in the commission of the crime;
- temporary or permanent prohibition on contracting with the Public Administration (which may be limited to specific contract types or certain branches of the Administration), except to obtain a public service; exclusion from receiving assistance, loans, grants or subsidies and potential revocation of any of the foregoing that were previously provided; and temporary or permanent prohibition on advertising goods and services.

Disqualification measures may be imposed concurrently and only for the crimes expressly listed by the Decree for which such sanctions may be imposed, when at least one of the following conditions is satisfied:

- the entity derived significant profit from the crime and the crime was committed by top management or subordinate person and, in the latter case, the commission of the crime was made possible or facilitated by serious organisational shortcomings;
- the crimes are repeated.

Even if one or both of the above conditions is met, disqualification measures will not be imposed if any of the following circumstances are established:

- the perpetrator committed the crime primarily in **his/her own interest or in the interest of third parties** and the entity obtained no or minimal benefit from it;
- the financial **harm** caused is **particularly slight**;
- before the declaration of first instance trial opening, all of the following conditions are met:
 - the entity **paid full compensation** for the harm and eliminated the harmful or dangerous consequences of the crime or has effectively taken steps in that regard;
 - the entity **eliminated the organisational shortcomings** that resulted in the crime by adopting and implementing an organisation, management and control model;
 - the entity **made the profit** obtained **available** for confiscation.

c) The publication of the conviction.

[When the Court orders it,] the sanctioning decision is published, in part or in full, by the Court Clerk's Office, at the entity's expense, in one or more newspapers specified by the Court in the decision, and by posting in the municipality where the entity has its main office.

Publication of the sanctioning decision can be ordered if an interdictory sanction is imposed on the entity.

d) Confiscation.

Confiscation is forced acquisition by the State of the price of or the profit from the crime, except for the portion that can be returned to the injured party, and subject to rights obtained in good faith by third parties; when confiscation in kind is not possible, money, goods or other benefits whose value is equivalent to the price of or the profit from the crime may be confiscated.

2. Adoption of the Organisation, Management and Control Model.

The Decree introduces a particular type of exoneration from the liability in question (Article 5, paragraph 1) if the entity demonstrates that:

- **before** the crime was committed, it adopted and effectively implemented, through its managing body, an organisation, management and control model intended to prevent crimes of the type that was committed;
- it gave an internal body with independent powers of initiative and control responsibility for **overseeing** the functioning of and compliance with the organisation, management and control model and keeping it updated;
- the individuals who committed the crime did so by **fraudulently** circumventing the aforesaid organisation, management and control model;
- the Supervisory Body did not fail to or did not inadequately exercise **oversight**.

2.1) The liability-exonerating function of the Model.

Adoption of the organisation, management and control model thus constitutes the **ideal measure** of the diligence required by the law and represents for the entity the tool to be used for exoneration from liability. However, **mere adoption** of the Model by the managing body – which is the body that holds

managing power – does **not** seem to be sufficient to exonerate the entity from liability; rather, the **Model** must also be **efficient** and **effective**.

As to the model's **effectiveness**, Article 6, par. 2 of the Decree, provides that the Model must:

- identify the **activities** in the context of which crimes can be committed ("mapping" at-risk activities);
- provide **specific protocols** to plan training and implementation of the entity's decisions regarding the crimes to be prevented;
- identify methods of **managing** financial resources to prevent commission of crimes;
- impose obligations to **inform** the body charged with overseeing the functioning of and compliance with the Model;
- introduce a **disciplinary system** to sanction noncompliance with the measures set forth in the Model.

As to the model's **effectiveness**, it must be **actually implemented**, requiring for this purpose (Article 7, par. 4 of the Decree):

- a **periodic review** and revision of the model if significant breaches of its requirements are discovered, changes in the organisation or business occur (updating of the model), or changes in law occur that expand the crimes that can give rise to the entity's liability;
- a **disciplinary system** to punish noncompliance with the measures set forth in the Model.

2.2) Recipients of the Model.

Recipients of the Model are all the individuals who act to achieve the Company's purpose and objectives. Recipients of the Model include members of the corporate bodies of **Beta Utensili S.p.A.**, persons involved in the Supervisory Body's functions, officers, employees and agents. All third parties that have work relationships with the Company are also required to comply with the Model.

Recipients of the Model are required to fully comply with all of its provisions, including in accordance with their duties of loyalty, honesty and diligence arising from their legal relationships with the Company.

2.3) Personnel training and updating of the Model.

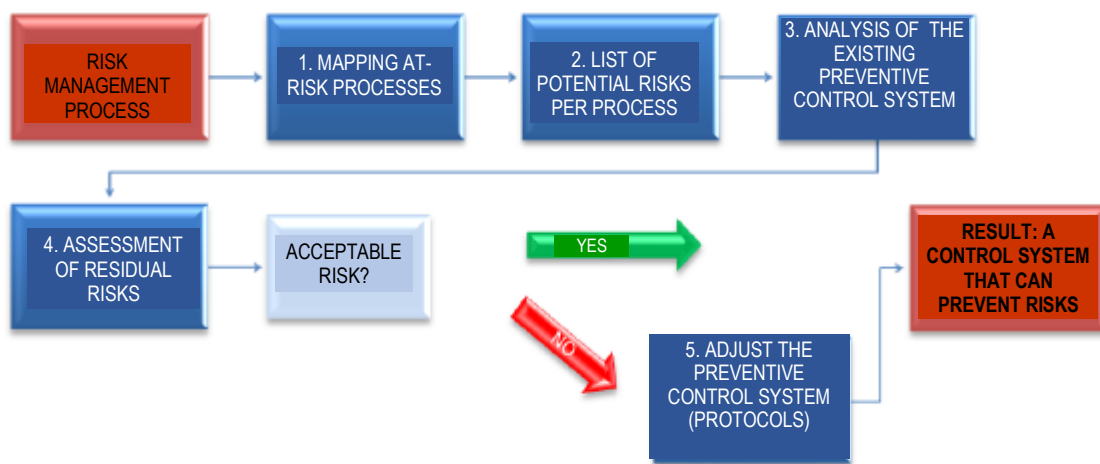
In order for the Model to be deemed effectively implemented, it must be brought to the attention of top management and employees through a comprehensive training programme. In addition, whenever there is a change in the organisational structure, corporate needs evolve or the list of underlying crimes changes, the Company must determine whether it is appropriate to update the Model.

The **Training and Communication Plan** seeks to inform stakeholders of the Model’s rules and provisions, so that their understanding and acceptance of the Model is as comprehensive as possible. The purpose of the Training and Communication Plan is to promote employees’ awareness, through targeted training courses, so that they will internalise the Model’s provisions and understand the risk of committing the crimes contemplated by current law.

2.4) Beta Utensili S.p.A. and adoption of the Model.

Producing the Model included mapping sensitive activities, which was performed by means of an analysis of corporate documents that are relevant for this purpose and existing procedures, and by conducting interviews with/handing out questionnaires to individuals who perform senior and managerial functions within the corporate structure, and subordinate persons. After the risk profiles were identified, a gap analysis was performed to assess the adequacy of existing safeguards.

Identification and analysis of sensitive activities must be encouraged whenever organizational changes or changes in law take place.



Beta Utensili S.p.A.’s Model is structured as follows:

➤ **General Part:** explains the basic principles of the liability of entities and companies. It also describes the Supervisory Body’s role and functions and the sanctioning system that comes into play if the Model is violated. The Model establishes the disciplinary sanctions and the methods for applying them to the

parties (directors, officers, employees, managers, third parties) who breach the Code of Ethics rules and do not comply with the Model's provisions;

- **Code of Ethics:** contains the fundamental principles on which all of the corporate activities are based. Its purpose is to promote and disseminate the Company's vision and mission by highlighting a system of ethical values and rules of conduct intended to encourage employees and third parties to commit to morally appropriate conduct and compliance with current laws;
- **Special Part:** contains a list and description of the relevant crimes and sanctions that can be imposed if the Company is held liable. It identifies the general principles of conduct and relevant operating Policies to prevent the risks described;
- **Documentary system:** Behaviour Protocols and/or Procedures, integral parts of the Model, i.e., rules of conduct provided for by the Model and/or the Code of Ethics, aimed at mitigating the risk of the commission of the predicate offences, in addition to the company operating instructions, company *policies*, company procedures, service orders, etc., which are also suitable for preventing the occurrence of the risk of offences.

3. The Supervisory Body.

In order for an entity to be **exonerated** from administrative liability, the Decree imposes the condition that a specific body of the entity itself (that has independent powers of initiative and control)⁵ must have been charged with overseeing the functioning of and compliance with the organisation, management and control model and keeping it up to date.

The Supervisory Body was established by resolution of the Board of Directors of **Beta Utensili S.p.A.** when this Model was adopted.

Beta Utensili S.p.A.'s Supervisory Body is a **multi-member body**.

The Protocol establishing the Supervisory Body (the Annex) should be consulted for all matters not addressed in this General Part of the Model.

⁵ Article 6, par. 1, lett. b) of the Decree provides, in regard to the actions of Top Management, that "*responsibility for overseeing the functioning of and compliance with models and keeping them updated*" must be entrusted "*to a body within the entity that has independent powers of initiative and control*". Although there is no express statutory reference as to the actions of "persons subject to the direction of others", to properly implement the adopted Model, Article 7, fourth paragraph, letter a) requires "*periodic review and revision, if necessary, of the Model when significant breaches of its requirements are discovered or when changes take place in the organisation or business*"; these activities are typically within the Supervisory Body's purview. The Supervisory Body is thus the corporate function responsible for overseeing the Model, in terms of monitoring the ethical, organisational and managerial procedures.

3.1) Functions and Powers.

The Supervisory Body is responsible for overseeing:

- the Model's **effectiveness**, so that actions taken within the Company conform to the actions contemplated by the Model;
- the Model's **efficacy**, to ensure that, in practice, it prevents the commission of the crimes listed in the Decree;
- the need to **update** the Model.

The Supervisory Body's responsibilities:

- periodically reviewing the **map of the areas at risk** for crime (or "sensitive activities"), to adapt it to changes in the Company's business and/or structure. To this end, management and employees must notify the Supervisory Body of any situations that could expose **Beta Utensili S.p.A.** to the risk of crime; ensure that the Protocols/Procedures and controls in place are implemented and documented consistently and that ethical principles are adhered to. However, it must be emphasised that monitoring activities are primarily the responsibility of the Heads of the individual functions;
- reviewing the Model's **adequacy** and **efficacy** in preventing the crimes listed in the Decree;
- periodically performing targeted **reviews** of **specific transactions** or actions engaged in, especially in the context of sensitive activities;
- **requiring** an information exchange with the Heads of individual corporate areas to keep the map of sensitive activities up to date;
- **ensuring** that the corrective actions necessary to keep the Model adequate and efficacious are taken on a timely basis;
- **gathering**, analysing and retaining all relevant **information** received while carrying out oversight activities; **monitoring** the aspects of the business that can expose the Company to the consequences of commission of any of the crimes listed in the Decree;
- promoting initiatives for training and communication about the Model and producing the documentation necessary for that purpose;
- making sure that the system of internal control is adequate based on legal requirements;
- periodically **informing** the Board of Directors regarding implementation of the Model.

The **ongoing review** must be two-pronged:

1. If it is determined that there are discrepancies in the implementation of the required operating standards, the Supervisory Body must:

- **urge** the Heads of individual corporate areas to comply with the Model;
- directly **indicate** what corrections and changes must be made to ordinary actions;
- **report** the most serious failures to implement the Model to the Heads and persons responsible for control within the individual functions.

2. If, however, the monitoring of the implementation of the Model shows that it needs to be **updated** due to an inability to prevent the risk of crime, the Supervisory Body:

- must **take steps** to ensure it is updated.

3.2) Reporting to Management.

The Supervisory Body is responsible for **informing** Management:

- **annually** the programme of activities it intends to carry out to complete its assigned tasks and provide a report of the activities it performed;
- **immediately** of any problems detected as a result of those activities.

In addition, the Supervisory Body must also, after evaluating the specific circumstances,

- **communicate** the results of its findings to the Heads of the functions and/or processes, where relevant to the Company's business;
- **report** any behaviour/actions not in line with the Model, the Code of Ethics and the Documentary System.

The originals or copies of the reports/communication will be retained in the Supervisory Body's archives.

3.3) Reporting to the Supervisory Body.

Communications to the Supervisory Body will take two main forms:

a) Event reporting;

b) Periodic information disclosure.

a) Event reporting.

Each Recipient of the Model must send a report to the Supervisory Board concerning the commission, even if presumed, of a predicate offence, or the reasonable risk of a predicate offence being committed. The report must be made **promptly, without delay**, upon becoming aware of the commission of the predicate offence. The report, in accordance with the provisions on whistleblowing, must be based on precise and concordant elements of fact and be accompanied by specific documentation, if any. The Supervisory Body will also consider anonymous reports, with the exception of reports of generic and/or confusing content. The principle of confidentiality must be guaranteed for each report, in accordance with the provisions on whistleblowing.

Reports may be sent to the Supervisory Body by means of:

- a **physical mailbox** located within the Company;
- sending an e-mail to the specially established **e-mail address**: odv@beta-tools.com.

b) Periodic information disclosure.

In addition to the reports described above, the following information must be transmitted to the Supervisory Body by means of regular information flows:

- criminal and disciplinary proceedings begun in relation to a report of a breach or suspected breach of the Model;
- sanctions imposed (including measures taken against employees), or decisions to set aside those proceedings and the justifications for the same;
- inspections or actions by any public supervisory or judicial authority or at the behest of the Judicial Police;
- requests for legal assistance sent by members of the corporate bodies, managers and/or other employees if legal proceedings are initiated regarding crimes listed in the Decree, which directly or indirectly involve the Company;

- conduct leading to a reasonable presumption that a crime listed in the Decree was committed or attempted in the interest or for the benefit of the Company;
- all other circumstances, involving the Company's business, that expose the Company to the concrete risk of commission or attempted commission of a crime listed in the Decree in the interest or for the benefit of the Company.

The information flows, regulated by the Supervisory Body, are compiled, signed and transmitted by the individual heads of functions to the e-mail box of the Supervisory Board every **six months**.

All information and/or reports contemplated by the Model shall be retained by the Supervisory Body in a specific computer and/or hard copy database that cannot be accessed by third parties, subject to any disclosure obligations imposed by law.

4. The whistleblowing.

4.1) The management of whistleblowing.

With the entry into force of Legislative Decree No. 24/2023, the subject of whistleblowing - previously contained in Italian Law No. 197/2017 - underwent an important change. The aforementioned decree transposing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 regulates, in even more detail, the protection of whistleblowers:

- violations of national or European Union law that harm the public interest or the integrity of the public administration or private entity, of which they have become aware in a public or private employment context;
- unlawful conduct relevant under the Decree or violations of the Model.

The new provision makes a distinction between the activation of channels of:

- internal reporting, with management being entrusted either to an autonomous, dedicated and specifically trained internal person or department, or to an external, also autonomous entity;
- external reporting, with the involvement of ANAC,

and emphasises the importance of **guaranteeing the confidentiality** of the identity of the Whistleblower, the person involved and the person in any event mentioned in the Report, as well as the content of the Report and of the related communication.

The objective of Legislative Decree No. 24/2023 is the prohibition of retaliation against the Whistleblower and the provision of sanctions - differently graduated and applicable by the ANAC - for

three different hypotheses:

- i)* when retaliation is established, or when it is established that the Report has been obstructed or that an attempt has been made to obstruct it or, again, that the obligation of confidentiality has been breached (penalty of between € 10,000 and € 50,000);
- ii)* where it is established that no reporting channels have been established, nor procedures adopted for the making and handling of Reports (penalty of between € 10,000 and € 50,000);
- iii)* when the whistleblower is found to be criminally liable for the offences of defamation or slander (penalty of between € 500 and € 2,500).

In the light of the reform, **Beta Utensili S.p.A.** has adapted to the new legislation through:

- a)* the activation of an internal reporting channel that guarantees, also through the use of encryption, the confidentiality of the identity of the Whistleblower, of the person involved and of the person in any case mentioned in the Report, as well as of the content of the Report and of the related communication;
- b)* the identification, as recipient of the Reports, of an external, autonomous and specifically trained person, namely the Chairman of the Supervisory Body (also Receiver);
- c)* the adoption of a specific procedure for the management of unlawful reports and irregularities, which is an integral part of the Model, and is to be understood as fully referred to herein;
- d)* the adoption of specific operating instructions to the person handling the Reports;
- e)* the adaptation of the Model and the Code of Ethics to Legislative Decree No. 24/2023, in compliance with the provisions on the processing of personal data set out in Regulation (EU) 679/2016.

Therefore, all the persons listed in the above procedure, to which reference should be made, and which includes, among others, employees, partners, shareholders, Board of Directors, Directors, external persons who, by virtue of contractual relations, cooperate in any capacity with the Company, and control bodies, may make Reports concerning:

- violations of national or European Union law that harm the public interest or the integrity of the public administration or private entity, of which they have become aware in a public or private employment context;

- **unlawful conduct relevant under the Decree or violations of the Model.**

Excluded, however, from the scope of application of Legislative Decree No. 24/2023 are disputes, claims or requests linked to a personal interest of the Whistleblower (or of the person who has filed a complaint with the judicial or accounting authorities) that relate exclusively to his individual employment relationships or inherent to his employment relationships with hierarchically line

managers.

Reports can be made through:

- **whistleblowing** portal, which can be accessed from the Company's website or the following address: <https://whistleblowing.beta-tools.com> (also Portal).

- registered letter with return receipt in a sealed envelope addressed to the Chairman of the Supervisory Body of **Beta Utensili S.p.A.**, via Turati n. 26, 20121, Milan (MI), with the express indication on the envelope and in the subject line of the letter, of the following wording '*confidential - whistleblowing report*'.

In case the Report concerns the Supervisory Body, it shall be sent by registered mail with return receipt with express indication on the sealed envelope and in the subject line of the letter, of the following wording '*confidential - whistleblowing report*', to the attention of the Managing Director of **Beta Utensili S.p.A.**, via Volta n. 18, 20845, Sovico (MB).

The Whistleblower must provide all useful elements to enable the Receiver to carry out the necessary checks and verifications to confirm the validity of the facts that are the subject of the Report.

To this end, the Report must contain the following elements:

1. a clear and complete description of the facts that are the subject of the Report;
2. the circumstances of time and place in which they were committed, if known and known;
3. personal details or other elements enabling the identification of the person(s) who has/have carried out the reported facts, if known;
4. an indication of any other persons who may report on the facts that are the subject of the Report;
5. the attachment/indication of any documents that may confirm the validity of these facts;
6. any other information that may provide useful feedback on the existence of the reported facts.

For technical and operational details, please refer to the text of the specific procedure adopted by the Company and the related operating instruction for application details.

The verification of the validity of the circumstances represented in the Reports is carried out by the Receiver, in compliance with the principles of impartiality and confidentiality, including through the hearing of the Whistleblower and/or of the persons mentioned in the Report, and with the right to involve - where necessary - the competent corporate functions, after anonymising the Report.

At the conclusion of the preliminary investigation phase, the Receiver takes the ensuing decisions, giving reasons for them, and proceeds to:

- file the Report (e.g., if it turns out to be an irrelevant Report);

- request the appointed corporate function to activate any disciplinary and sanctioning initiatives as a result of what has been ascertained - as well as the appropriate interventions on the Model - by informing the Whistleblower and providing similar information to the reported person, with autonomous and confidential communication.

4.2) Sanctions related to the whistleblowing system.

In compliance with the new rules, the Model establishes the prohibition of any discriminatory act, even threatened or attempted against Whistleblowers. In this respect, the Company has provided, in the sanctions system adopted with the Model, for the imposition of disciplinary sanctions against:

- of the person who violates the protection measures provided for in Legislative Decree No. 24/2023;
- of the Whistleblower who, with wilful misconduct or gross negligence, makes unfounded Reports or makes defamatory or slanderous Reports, ascertained by a conviction, even at first instance.

Therefore, the Chairman of the Supervisory Body may request the Board of Directors to apply the disciplinary system in the event of a breach of the prohibition of retaliation or discrimination against the Whistleblower. This is without prejudice to compensation in the event of damage caused to the Company.

5. The disciplinary system.

5.1) Introduction.

An adequate sanctioning system is necessary for the Model to be implemented effectively.

Under Article 6, par. 2, lett. e) and Article 7, par. 4, lett. b) of the Decree, the Model can be considered implemented effectively only if it provides for a **disciplinary system** that **sanctions** failure to comply with its measures.

The following are essential requirements of the sanctioning system:

- **Specificity and independence:** the specificity means that a sanctioning system is created within the Company to punish all breaches of the Model, regardless of whether that breach leads to the commission of a crime.

The independence means that the internal disciplinary system functions self-sufficiently in regard to external systems (for example, a criminal trial). The Company is required to punish the breach regardless of the results of any criminal trial.

- **Compliance:** the sanction's assessment and application process, and the sanction itself, cannot breach the law and contractual provisions that govern the employment relationship with the Company;

- **Appropriateness:** the system must be efficient and effective in preventing crimes;
- **Proportionality:** the applicable or actually applied sanction must be proportionate to the breach found and the type of employment relationship with the provider (employment, collaboration/consulting, managerial, etc.), considering the specific rules applicable according to the law and the contract;
- **Drafting in writing and appropriately disseminated:** the sanctioning system must be in writing and the Recipients informed of it and appropriately trained.

In all cases, the person charged with a breach must be ensured the **right to a defence**.

5.2) Definition and limits of disciplinary liability.

This section of the Model identifies and describes breaches that are relevant to the Decree, as amended, the corresponding disciplinary sanctions that may be imposed and the procedure for charging the offence.

The Company, which is aware of the need to comply with applicable laws and regulations, must ensure that the sanctions that can be imposed under this Sanctioning System comply with the national collective labour contracts applicable to the industry. It must also make sure that the procedure for charging the offence and imposing the relevant sanction complies with Article 7 of Italian Law No. 300 of 30 May 1970 (the Workers' Statute).

For Recipients who are parties to a contract other than an employment contract (directors and third parties in general), the applicable measures and sanctioning procedures must comply with law and contract provisions.

5.3) Disciplinary offences.

Actions of workers in breach of the individual rules of conduct of this Model are referred to as disciplinary offences.

Disciplinary offences become relevant when they are the result of:

- failure to comply with the Model's Protocols/Procedures and/or requirements that are intended to ensure that actions are taken in accordance with law and to detect and timely eliminate risk situations under the Decree;

- breach and/or circumvention of internal control systems by removing, destroying or altering the documentation of a procedure or by impeding auditing of or access to the information or documentation by the persons in charge, including the Supervisory Body;
- noncompliance with the Code of Ethics rules;
- noncompliance with obligations to inform the Supervisory Body and/or a person's line manager;
- failure by the "hierarchical supervisor" to oversee his or her subordinates' compliance with the Model's procedures and requirements that make it possible to monitor those subordinates' conduct in areas at risk of crime and when they are performing activities that are instrumental to operating processes at risk of crime;
- noncompliance with rules of conduct regarding workplace health and safety as governed by law (Article 20 of Italian Legislative Decree No. 81/2008), regulations and/or other Company rules;
- breach or omission, due to gross negligence, inexperience or recklessness, of any requirement intended to prevent environmental contamination or harm;
- failure to comply with the obligations to inform the Supervisory Body on matters and issues that expose the Company to an objective situation of risk of one of the offences covered by Legislative Decree No. 231 of 2001 being committed, or that unequivocally reveal the commission of one or more of the offences covered by Legislative Decree No. 231 of 2001, or lead to the application, against the Company, of sanctions provided for by Legislative Decree No. 231 of 2001;
- in the context of whistleblowing, inter alia, the implementation of actions or conduct in breach of the measures put in place to protect the Whistleblower; the adoption of retaliatory or discriminatory acts, direct or indirect, against the Whistleblower for reasons directly or indirectly linked to the Whistleblowing; the making, with malice or gross negligence, of Reports that prove to be unfounded or of defamatory or libellous Reports, ascertained by a conviction, even at first instance.

5.4) Recipients and their duties: the procedure.

Recipients of this disciplinary system are the Recipients of the Model. Recipients are required to conform their conduct to the principles set forth in the Code of Ethics and all the principles and measures for the organisation, management and control of corporate activities set forth in the Model and in the Protocols/Procedures.

Any breach of the aforesaid principles, measures and procedures, if found to have been committed, constitutes:

- for employees and managers, a **contractual breach** of their obligations under their employment agreements under Article 2104, of the Italian Civil Code that results in the application of Article 2106, of the Italian Civil Code;
- for directors, breach of their duties under law or the articles of association in accordance with Article 2392, of the Italian Civil Code;
- for third parties, a contractual breach that could justify termination of the contract, without prejudice to compensation for damages.

The **procedure** for imposing the sanctions listed below must thus take into account the specifics of the legal status of the person involved in the procedure.

The Supervisory Body will ensure that specific procedures are put in place to inform all of the persons identified above, since the beginning of their relationship with the Company, as to the existence and the substance of this sanctioning system.

Any violation of the Model must be reported, without prejudice to the procedures and measures falling within the competence of the holder of the disciplinary power: the duty to report is incumbent on all the Recipients of the Model.

After receiving the report, the Receiver. must immediately carry out the necessary investigations, in compliance with the confidentiality set out in Legislative Decree No. 24/2023, the specific Procedure for the handling of Reports of Offences or Irregularities, adopted by the company and an integral part of this Model, as well as the Whistleblowing Operating Instruction. After conducting the appropriate analyses and assessments, the Receiver will inform the person with disciplinary authority of the outcome, who will commence the proceeding to lodge the complaint and potentially apply sanctions, with any disciplinary sanctions to be adopted by the responsible Company bodies.

5.5) General principles regarding sanctions.

Sanctions imposed for breaches must, in all cases, adhere to the principle of gradualness and proportionality in regard to the seriousness of the breaches committed.

The determination of the type and the extent of the sanction to impose as a result of the commission of breaches must take into account:

- the seriousness of the breach;

- the position held by the person acting within the corporate organisation, especially considering the responsibilities associated with his or her tasks;
- any aggravating or mitigating circumstances that may be relevant to the Recipient's conduct (such as the commission of crimes and/or the imposition of previous disciplinary sanctions against the same person).

5.6) Sanctions imposed on employees.

The sanctions that can be imposed on employees fall within those contemplated by the Company disciplinary system and/or the sanctioning system envisaged by the National Collective Bargaining Agreement [CCNL], in accordance with the procedures set forth in Article 7 of the Workers' Statute and any applicable special laws.

Specifically, the Metalworkers' **National Collective Bargaining Agreement** [CCNL Metalmeccanici] provides for the following sanctions for employees:

a) verbal warning: in cases of minor non-compliance with the Documentary System, or behaviour of minor negligence that does not comply with the prescriptions of the Model, or failure to report or tolerance of minor irregularities in compliance with the Code of Ethics, the Model and the Documentary System committed by other workers;

b) written warning: in cases of non-serious transgression of the Documentary System or culpable non-compliance through non-compliant or inadequate conduct (by way of example, but not limited to: failure to or delay in communicating to the Supervisory Body the information due under the Model), as well as repeated failures punished by a verbal warning and failure to report or tolerate non-serious irregularities in compliance with the Model, the Code of Ethics and the Documentary System committed by other workers;

c) a fine not exceeding 3 hours' hourly pay calculated on the minimum table: in the event of repeated breach of the Documentary System or conduct not complying with the requirements of the Model;

d) suspension from work and pay up to a maximum of 3 days: in the event of violation of the Documentary System or the adoption of a conduct that does not comply with the Model, including the performance of acts contrary to the interests of the Company (including but not limited to the omission or issue of false declarations concerning compliance with the Model failure to comply with the provisions on signature powers and the system of delegated powers), or offences punishable with a written reprimand which, by reason of objective circumstances, consequences, or recidivism, are of a more serious nature, as well as in similar cases where the worker has repeatedly committed offences punishable with a

written reprimand, or in cases of failure to report or of tolerance of serious irregularities in compliance with the Model, the Code of Ethics and the Documentary System, committed by other workers, or such as to expose the Company to an objective situation of danger or to determine negative consequences for it, as well as the making, with serious misconduct, of a Report pursuant to Legislative Decree No. 24/2023, which turns out to be unfounded or the breach, through gross negligence, of the protection measures of the Whistleblower pursuant to Legislative Decree No. 24/2023;

(e) dismissal with notice: as a consequence of conduct punishable by suspension from work and pay for up to 3 days;

f) dismissal without notice: for misconduct that is so serious as not to allow the continuation, even temporary, of the employment relationship ("just cause"), consisting in wilfully violating the provisions of the Model, the Code of Ethics and the Documentary System, such as to determine the concrete application of the measures set out in the Decree by the Company, as well as wilful or seriously negligent making of a Report pursuant to Legislative Decree No. 24/2023, which proves to be unfounded and particularly burdensome for the reported person, or the making of a defamatory or slanderous Report ascertained by a conviction, even of the first degree, or the wilful breach of the measures for the protection of the Whistleblower referred to in Legislative Decree No. 24/2023.

5.7) Sanctions imposed on managers.

Compliance by the Company's managers with the provisions and procedures of the Model, the Code of Ethics and the Documentary System, as well as fulfilment of the obligation to enforce compliance with the provisions of the aforementioned documents, constitute fundamental elements of the relationship existing between them and the Company.

Therefore, in the event of an ascertained violation by a manager of conduct in compliance with the provisions of the Model, the Code of Ethics and the Documentary System, or if it is proven that he/she has allowed employees hierarchically subordinate to him/her to engage in conduct constituting a violation of the principles of the Model, the Code of Ethics and the Documentary System, the Company will apply against the person responsible the sanction it deems most appropriate, based on the seriousness and/or recurrence of the executive's conduct and in any event on the basis of the provisions of the **National Collective Bargaining Agreement for Industry Executives** and in particular of Article 7 of the Workers' Statute.

Specifically, in addition to the sanctions provided for non-managerial staff, the following sanctions may be applied against managers:

- **written reprimand** and an injunction to comply with the provisions of the Model: in the event of a minor breach of one or more behavioural or procedural rules of the Model, the Code of Ethics and the Documentary System, or of failure to communicate or tolerance of irregularities in compliance with the Code of Ethics, the Model and the Documentary System committed by other workers, as well as in the event of making, through gross negligence, a Report pursuant to Legislative Decree No. 24/2023, which turns out to be unfounded or violation, through gross negligence, of the measures to protect the Whistleblower pursuant to Legislative Decree No. 24/2023;
- **dismissal with notice**: in the event of repeated and serious culpable violations of one or more prescriptions of the Model, the Code of Ethics and the Documentary System such as to constitute a significant breach, or the adoption of a negligent conduct not compliant with the Code of Ethics, the Model and the Documentary System that has exposed the Company to a situation of objective danger or such as to determine, for the same negative repercussions, or in the event of failure to communicate or tolerance of irregularities in compliance with the Code of Ethics, the Model and the Documentary System by another worker, such as to have exposed the Company to a situation of objective danger or such as to determine, for the same, negative repercussions, as well as the recurrence of a repetition of a Report pursuant to Legislative Decree No. 24/2023, which turns out to be unfounded, or of a breach, through gross negligence, of the measures protecting the Whistleblower pursuant to Legislative Decree No. 24/2023;
- **dismissal without notice** where the breach of one or more provisions of the Model, the Code of Ethics and the Documentary System is so serious as to irreparably damage the relationship of trust, not allowing the continuation, even temporary, of the employment relationship, as well as the wilful or grossly negligent making of a Report pursuant to Legislative Decree No. 24/2023, which proves to be unfounded and particularly burdensome for the reported person, or the making of a defamatory or slanderous Report, ascertained by a conviction, even at first instance, and the wilful breach of the protection measures laid down in Legislative Decree No. 24/2023.

This is without prejudice to the right of the Company to claim compensation for the greater damage suffered as a result of the conduct of the manager.

The manager may also have any powers of attorney or proxies granted to him revoked.

5.8) Measures against persons in senior positions on the Board of Directors.

The Company assesses with extreme rigour any breaches of the Code of Ethics, the Model and the Documentary System committed by those who represent the top management of the Company and project its image to the outside world, as well as any violation of the provisions of Legislative Decree No. 24/2023.

Directors' liability to the Company is governed for all purposes by Article 2392, of the Italian Civil Code⁶.

The Shareholders' Meeting is competent to assess the breach and to take the most appropriate measures against the member(s) of the Board of Directors who

- has/have violated the provisions of the Model, the Code of Ethics and the Documentary System;
- has/have made, with malice or gross negligence, Reports pursuant to Legislative Decree No. 24/2023, which turned out to be unfounded, or slanderous or defamatory Reports ascertained by a judgment, even at first instance;
- has/have violated the protective measures set out in Legislative Decree No. 24/2023.

The **Shareholders' Meeting** will decide on the imposition and possible type of sanction, according to the principle of proportionality.

However, this is without prejudice to the Shareholders' Meeting's liability action and the resulting possible revocation of the offices and claim for compensation for the damage suffered in accordance with the provisions of the Italian Civil Code by applying the relevant regulations.

5.9) Measures against the Board of Statutory Auditors.

In the event of an ascertained violation of the Code of Ethics, the Model and the Documentary System, as well as in the event of wilful or grossly negligent reporting of Reports that prove to be unfounded, or of slanderous or defamatory Reports ascertained by a conviction, even of the first degree, by the Board of Statutory Auditors (or one of its individual members), the Board of Directors, in accordance with the provisions of the Articles of Association, may take the appropriate measures, including, for example, convening the Shareholders' Meeting, in order to adopt the most suitable measures provided for by law.

The Board of Directors, in the event of violations constituting just cause for revocation, proposes to the Shareholders' Meeting the adoption of measures within its competence and takes the further steps required by law. This is without prejudice to compensation in the event of damage caused to the Company.

⁶ Article 2392, Italian Civil Code. Liability to the Company.

1. Directors must carry out their duties, imposed by the law and the articles of association, with the diligence required by the nature of the task and by their specific skills. Directors are jointly liable to the company for the damages caused by noncompliance with those duties, unless they were assigned to the executive committee or represent functions assigned to one or more directors.

2. In any event, subject to Article 2381, third paragraph, Italian Civil code, directors are jointly liable if they were aware of harmful circumstances and did not do what they could to prevent the completion of or eliminate or mitigate the harmful consequences.

3. Liability for directors' actions or omissions shall not extend to any director who, not negligently, immediately recorded his or her dissent in the minute book of meetings and board resolutions and gave immediate notice in writing to the chairperson of the board of statutory auditors.

5.10) Measures against the Auditing Company.

In the event of an ascertained violation of the Code of Ethics, the Model and the Documentary System, or in the event of wilful or grossly negligent reporting of Reports that prove to be unfounded Slanderous or defamatory Reports ascertained by a conviction, even of the first degree, by the Auditing Firm (or one of its individual members), the Board of Directors, in accordance with the provisions of the Articles of Association, may take the appropriate measures, including, for example, convening the Shareholders' Meeting, in order to adopt the most suitable measures provided for by law.

The Board of Directors, in the event of violations constituting just cause for revocation, proposes to the Shareholders' Meeting the adoption of measures within its competence and takes the further steps required by law. This is without prejudice to compensation in the event of damage caused to the Company.

5.11) Measures imposed on third parties.

Any conduct by external parties (by way of example, independent contractors, agents and representatives, consultants and, in general, self-employed persons, as well as suppliers and partners, including in the form of temporary associations of companies and joint ventures) in breach of the law, the Code of Ethics, the Model and the Documentary System such as to entail the risk of commission of an offence under the Decree may result, in accordance with the provisions of the specific contractual clauses included in the letters of appointment or contracts, in the termination of the contractual relationship.

The same sanction of early termination is provided for against external persons in the event that they make, with wilful misconduct and/or serious misconduct, a Report pursuant to Legislative Decree No. 24/2023, which proves to be unfounded, or slanderous or defamatory Reports ascertained by a conviction, even at first instance.

To that end, **contracts that the Company enters into with such parties must contain a specific representation that they are aware of the existence of the Code of Ethics and the Model and an obligation to comply with the same, or, if the party is foreign or does business abroad, to comply with international and local laws on preventing risks that could cause the Company to be liable as the result of the commission of crimes.**

Contracts with third parties must contain a specific withdrawal and/or termination clause associated with noncompliance with such obligations, with the Company retaining the right to compensation for damages incurred as the result of such conduct.

It is the responsibility of any corporate Function making use of third parties to record all information that makes it possible to be aware of and evaluate their conduct. If the Supervisory Body so requests, such information must be made available to it.

4.12) Sanctioning procedure.

The principles on which the sanctioning procedure is based reflect the following criteria:

- **legality and correlation:** the sanctions that may be imposed are specified in the Model and the breach giving rise to them must correspond to the breach charged;
- **integration:** the Model's sanctioning system integrates with the disciplinary system set forth in the national collective bargaining agreement applicable to the various categories of workers at **Beta Utensili S.p.A.**;
- **dissemination:** the Company must disseminate the sanctioning system to the greatest possible extent;
- **due process:** breaches must be raised in writing and with specificity;
- **timeliness:** the ensuing disciplinary proceeding and potential application of the sanction must take place with a certain and reasonable period of time;
- **proportionality:** sanctions must be imposed in such a way as to adequately reflect the seriousness of the infraction committed.