ALBINI GROUP

ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL
COTONIFICIO ALBINI S.P.A.

(pursuant to Legislative Decree no. 231 dated 8th June 2001)

GENERAL PART

Approved by Cotonificio Albini S.p.A.'s Board of Directors on 13/10/2025

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Definitions and abbreviations

Sensitive activities: corporate undertakings in which the opportunities, conditions and instruments for committing crimes could potentially be formed.

Supervisory authorities: the Public Authorities (ex. Article 2638 of the Italian Civil Code) that carry out supervisory activities before the Company such as, by way of example, Banca d'Italia, CONSOB, the Data Protection Authority, the Competition and Markets Authority, and so on.

CCNL: the National Collective Bargaining Agreement applicable to Cotonificio Albini S.p.A. employees, being specifically the National Collective Employment Agreement for Textiles, Clothing and Fashion.

Code of Ethics: the guide of principles adopted by the Company to define the conduct within its business, which must be observed by all directors, employees, suppliers, consultants and contractors.

Contractors and/or Consultants: subjects who enter into collaborative relationships with the Company without any obligation of employment, materialising in the professional provision of a freelance nature, be it continuous or occasional and who, by virtue of specific mandates and proxies, represent the Company before third parties.

Board of Directors: the BoD of the company Cotonificio Albini S.p.A.

Decree or Legislative Decree no. 231/2001: Resolution no. 231 of the Legislative Decree issued on 8th June 2001 regarding the "Provisions on the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 dated 29th September 2000", per that in force at the time.

Addressees: subjects to whom the provisions of this Model apply.

Employees: natural persons subject to the management or supervision of persons appointed to roles of representation, administration or management of the Company, being all persons who have any form of employee relationship with the Company.

Suppliers: those who provide goods or services in favour of Cotonificio Albini S.p.A.

Appointed to a public service: anyone who "in whatever capacity, provides a public service", meaning an activity governed by the same forms of public function but characterised by a lack of powers typical of such (Article 358 of the Italian Criminal Code).

Confindustria Guidelines: document/guide from Confindustria (approved on 7th March 2002 and subsequently updated in 2004, 2008 and 2014) on constructing the Organisation, Management and Control Models referred to in the Decree.

Organisational, Management and Control Model (also simply, the "Model"): this Organisational, Management and Control Model adopted pursuant to Articles 6 and 7 of Legislative Decree no. 231/2001.

Supervisory Body (also simply, the "Body"): the Body of the Entity with autonomous powers of initiative and control, with the task of supervising operations, compliance with the Model and its updating.

Procedures: the methods, policies, organisational provisions, service orders and all other provisions, measures and deeds of the Company implementing the control principles established herein.

Public Administration, PA or Public Entities: the organ responsible for implementation of government policies, including relative officials and public service entities.

Public official: the person who "performs public functions in the legislative, judicial or administrative sector" (Article 357 of the Italian Criminal Code).

Offences: crimes for which the regulations set out under Legislative Decree no. 231/2001 apply, also as a result of any subsequent modifications or additions.

Company (also, "Cotonificio Albini S.p.A." or "Cotonificio Albini"): Cotonificio Albini S.p.A. with registered office at Via Dr. Silvio Albini no. 1 - 24021 Albino (BG).

Senior Management: persons who hold positions of representation, administration or running of the Company or of its unit equipped with financial and functional autonomy, as well as persons who exercise, even de facto, the running or control of the Company.

Subordinate subjects: persons under the direction or supervision of one of the subjects referred to in the preceding paragraph.

Whistleblower: person who submits a Report of illegal conduct in accordance with Legislative Decree no. 24/2023.

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LEGISLATIVE DECREE NO. 231 DATED 8TH JUNE 2001

1.1 General principles

Legislative Decree no. 231 dated 8th June 2001 (hereinafter, also the "Decree" or "Legislative Decree 231/2001") that introduced into the Italian legal system the administrative responsibility of legal entities, companies and associations even without legal personality (hereinafter, "Entities") in the event of the commission or attempted commission of certain types of criminal offences in the interest or to the benefit of the Entity by:

- Subjects who have the functions of representation, administration or management of the Entity or of its Organisational Unit equipped with financial and functional autonomy, as well as natural persons who exercise, even de facto, the management or control of the same (the "Senior Management");
- Parties "subjected" to the direction or supervision of the persons referred to in the preceding paragraph.

It is a responsibility that, despite being defined by the legislature as "administrative", has certain characteristics of criminal liability because:

- It follows on from committing offences;
- It is established by the criminal court (throughout proceedings in which the procedural provisions are applied to the Entity, where compatible, relative to the defendant).

The Decree intends to adapt the internal legislation on the liability of legal persons to certain international conventions to which Italy has long adhered.

The responsibility of the Entity, pursuant to the Decree, is additional to and not replaced by that of the offender (penal) – both the natural person and legal person will thus be subjected to criminal proceedings.

1.2 The "catalogue" of criminal offences and administrative wrongdoings relevant for the purposes of the Decree

The offences for which the Entity may be held liable ("Predicate Offences"), as mentioned above in § 1.1, are exhaustively listed in Legislative Decree no. 231/2001.

Specifically, these consist in the following offences:

Offences against the Public Administration and its assets (Articles 24 and 25 of the Decree);

- Misappropriation (art. 314, paragraph 1 of the Italian Criminal Code);
- Misappropriation of money or movable property (Article 314-bis of the Italian Criminal Code);
- Fraudulent misappropriation pursuant to the error of others (Article 316 Italian Code of Criminal Procedure);
- Embezzlement of public funds (Article 316-bis of the Italian Criminal Code);
- Undue receipt of public funding (Article 316-ter of the Italian Criminal Code);
- Fraud against the State, another Public Entity or the European Union (Article 640[2][1] of the Italian Criminal Code);
- Aggravated cheating resulting in the receipt of public monies (Article 640-bis of the Italian Penal Code);
- Computer fraud against the State or other Public Entity (Article 640-ter of the Italian Criminal Code);
- Extortion (Article 317 of the Italian Criminal Code);
- Corruption of persons performing a public service (Article 318 of the Italian Criminal Code);
- Corruption for the performance of an act contrary to official duties (Article 319 of the Code);
- Aggravating circumstances (Article 319-bis of the Italian Criminal Code);
- Corruption in judicial proceedings (Article 319-ter of the Italian Criminal Code);
- Undue incitement to give or promise utility (Article 319-quater of the Italian Criminal Code);
- Corruption of public service officers (Article 320 of the Code);
- Penalties for the corruptor (Article 321 of the Italian Criminal Code);
- Incitement to corruption (Article 322 of the Italian Criminal Code);
- Embezzlement, misappropriation of money or movable property, extortion, undue incitement to give or promise benefits, corruption and instigation to corruption of members of international Courts or bodies of European Communities or international parliamentary assemblies or international organisations and officials of the European Communities and Foreign States (Article 322-bis of the Italian Criminal Code);
- Trafficking of illicit influences (Article 346-bis of the Italian Criminal Code);
- Interference with the freedom of auctions (Article 353 od the Italian Criminal Code);

- Interference with the freedom of the contractor selection process (Article 353-bis of the Italian Criminal Code);
- Fraud in procurement to public entities (Article 356 of the Italian Criminal Code);
- Fraud to the detriment of the European Agricultural Warranty Fund and the European Agricultural Fund for Rural Development (Article 2.1 898/1986);

Computer crimes and illegal data processing (Article 24-bis of the Decree);

- Electronic documents (Article 491-bis of the Italian Criminal Code);
- Illicit access to a computerised or telematic system (Article 615-ter of the Italian Criminal Code);
- Unlawful possession, dissemination and installation of equipment, codes and other means of accessing computer or telematic systems (615-quater of the Italian Criminal Code);
- Illicit interception, impediment or interruption of computerised or telematic communications (Article 617-quater of the Italian Criminal Code);
- Unlawful possession, dissemination and installation of equipment and other means of intercepting, obstructing or interrupting computer or electronic communications (Article 617-quinquies od the Italian Criminal Code);
- "Cyber" extortion (Article 629[3] of the Italian Criminal Code);
- Damage to computerised information, data and computer programs (Article 635-bis of the Italian Criminal Code);
- Damage to information, data and computer programs used by the State or by another Public Entity or in any case of public utility (Article 635-ter of the Italian Criminal Code);
- Damage to computerised or telematic systems (Article 635-quater of the Italian Criminal Code);
- Unlawful possession, dissemination and installation of computer equipment, devices or programs intended to damage or interrupt a computer or telematic system (Article 635-quater[1] of the Italian Criminal Code);
- Damage of computerised or telematic systems of public interest (Article 635-quinquies of the Italian Criminal Code);
- Computer fraud of the entity providing electronic signature certification services (Article 640-quinquies of the Italian Criminal Code);
- Violation of the national cyber security regulations (Article 1[11] of Decree Law no. 105 dated 21st September 2019);

Organised crime offences (Article 24-ter of the Decree);

- Criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type associations, including foreign associations (Article 416-bis of the Italian Criminal Code);
- Political-mafia electoral exchange (Article 416-ter of the Italian Criminal Code);
- Kidnapping for the purpose of extortion (Article 630 of the Italian Criminal Code);
- Association aimed at illicit trafficking of narcotic or psychotropic substances (Article 74 of Presidential Decree no. no. 309 dated 9th October 1990);
- All crimes if committed availing of the conditions established in Article 416-bis of the Italian Criminal Code to facilitate the activity of associations envisaged in the same Article (Law 203/91);
- Crimes of illegal manufacture, importation, placing for sale, transfer, possession and carrying in a public place or a place open to the public, weapons of war or parts thereof, of explosives and illegal arms and more common firearms excluding those cited in Article 2(3) of Law no. 110 dated 18th April 1975 (Article 407[2][a][5], of the Italian Code of Criminal Procedure);

Offences of counterfeiting coins, public credit cards, revenue stamps and identification instruments or markings (Article 25-bis of the Decree);

- Counterfeiting of coins, spending and importation, after consultation, of counterfeit money (Article 453 of the Italian Criminal Code);
- Alteration of coins (Article 454 of the Italian Criminal Code);
- Spending and importation, without consultation, of counterfeit money (Article 453 of the Italian Criminal Code);
- Spending of forged coins received in good faith (Article 457 of the Italian Criminal Code);
- Counterfeiting of tax stamps, importation, purchase, possession or circulation of falsified revenue stamps (Article 459 of the Italian Criminal Code);

- Counterfeiting of watermarked paper used to manufacture public credit cards or revenue stamps (Article 460 of the Italian Criminal Code);
- Manufacturing or possession of watermarks or tools for the counterfeiting of money, revenue stamps or watermarked paper (Article 461 of the Italian Criminal Code);
- Use of counterfeit or altered revenue stamps (Article 464 of the Italian Criminal Code);
- Counterfeiting, alteration or use of trademarks, logos or patents, models and designs (Article 473 of the Italian Criminal Code);
- Importation and marketing of products with false markings (Article 474 of the Italian Criminal Code);

Crimes against industry and commerce (Article 25-bis[1] of the Decree);

- Disturbance of the freedom of industry and commerce (Article 513 of the Italian Criminal Code);
- Illicit competition with threats or violence (Article 513-bis of the Italian Criminal Code);
- Fraud against national industries (Article 514 of the Italian Criminal Code);
- Fraudulent trading (Article 515 of the Italian Criminal Code);
- Sale of non-genuine food substances sold as genuine (Article 516 of the Italian Criminal Code);
- Sale of industrial products with misleading signs (Article 517 of the Italian Criminal Code);
- Manufacture and trade of goods manufactured by encroaching upon industrial propriety rights (Article 517-ter of the Italian Criminal Code);
- Counterfeiting geographical indications or appellations of agricultural food products (Article 517-quater of the Italian Criminal Code);

Corporate crimes (Article 25-ter of the Decree);

- False corporate communications (Article 2621 of the Italian Civil Code);
- Minor violations (Article 2621-bis of the Italian Civil Code);
- False corporate communications of listed companies (Article 2622 of the Italian Civil Code);
- Obstruction of checks (Article 2625[2] of the Italian Civil Code);
- Illicit return of contributions (Article 2626 of the Italian Civil Code);
- Illegal breakdown of profits and reserves (Article 2627 of the Italian Civil Code);
- Illicit transactions in shares or quotas of the parent company (Article 2628 of the Italian Civil Code);
- Transactions to the detriment of creditors (Article 2629 of the Italian Civil Code);
- Failure to disclose conflict of interest (Article 2629-bis of the Italian Civil Code);
- Fictitious creation of capital (Article 2632 of the Italian Civil Code);
- Illicit allotment of corporate assets by liquidators (Article 2633 of the Italian Civil Code);
- Corruption between individuals (Article 2635 of the Italian Civil Code);
- Incitement of corruption between individuals (Article 2635-bis of the Italian Civil Code);
- Illicit influence over Shareholders' Meetings (Article 2636 of the Italian Civil Code);
- Agiotage (Article 2637 of the Italian Civil Code);
- Hindering the activities of public supervisory authorities (Article 2638[1] and [2] of the Italian Civil Code);
- False or omitted statements for the issue of the preliminary certificate (Article 54 of Legislative Decree no. 19/2023);

Crimes carried out for terrorism, even international, or subversion of democratic order (Article 25-quater of the Decree);

- Subversive associations (Article 270 of the Italian Criminal Code);
- Associations with terrorist objectives, including international or subversion of democracy (Article 270-bis of the Italian Criminal Code);
- Aiding associates (Article 270-ter of the Italian Criminal Code);
- Enlistment with terrorist objectives, including at an international level (Article 270-quater of the Italian Criminal Code);
- Organisation of transfer arrangements for the purpose of terrorism (Article 270-quater[1] of the Italian Criminal Code);
- Training for activities with terrorist objectives, including at an international level (Article 270-quinquies of the Italian Criminal Code);
- Financing conducts for terrorism purposes (Article 270-quinquies[1] of the Italian Criminal Code);
- Withdrawal of assets or money subject to seizure (Article 270-quinquies[2] of the Italian Criminal Code);

- Possession of material for terrorist purposes (Article 270-quinquies[3] of the Italian Criminal Code);
- Conduct for terrorist purposes (Article 270-sexies of the Italian Criminal Code);
- Crimes committed for terrorism or subversion (Article 280 of the Italian Criminal Code);
- Act of terrorism with lethal devices or explosives (Article 280-bis of the Italian Criminal Code);
- Acts of nuclear terrorism (Article 280-ter of the Italian Criminal Code);
- Kidnapping for the purpose of terrorism or subversion (Article 289-bis of the Italian Criminal Code);
- Kidnapping for the purpose of extortion (Article 289 of the Italian Criminal Code);
- Instigation to commit the crimes under Sections I and II (Article 302 of the Italian Criminal Code);
- Political conspiracy by agreement (Article 304 of the Italian Criminal Code);
- Political conspiracy by association (Article 305 of the Italian Criminal Code);
- Armed gangs: training and participation (Article 306 of the Italian Criminal Code);
- Aiding and abetting members of a conspiracy or armed gang (Article 307 of the Italian Criminal Code);
- Taking possession, hijacking or destruction of an aircraft (Law no. 342/1976, Article 1);
- Damage to ground installations (Law no. 342/1976, Article 2);
- Penalties (Law no. 422/1989, Article 3);
- Active repentance (Legislative Decree no. no. 625/1979, Article 5);
- New York Convention of 9th December 1999 (Article 2);

Offense of female genital mutilation (Article 25-quater[1] of the Decree);

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

Offences against the person (Article 25-quinquies of the Decree);

- Reduction to or retention in 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 of 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 aimed at the exploitation of child prostitution (Article 600-quinquies of the Italian Criminal Code);
- Trafficking in persons (Article 601 of the Italian Criminal Code);
- Purchase and sale of slaves (Article 602 of the Italian Criminal Code);
- Unlawful intermediation and exploitation of labour (Article 603-bis of the Italian Criminal Code);
- Grooming of minors (Article 609-undecies of the Italian Criminal Code);

Market abuse offences (Article 25-sexies of the Decree);

- Abuse or illegal communication of inside information; Recommendation or inducement of others to commit insider trading (Article 184 of Legislative Decree no. 58/1998, Article 187-bis of the Consolidated Law on Financial Intermediation);
- Market manipulation (Article 185, Legislative Decree no. 58/1998 - Consolidated Law on Financial Intermediation);

Other cases relating to market abuse;

- Prohibition of insider trading and illegal communication of insider information (Article 14 of EU Regulation no. 596/2014);
- Prohibition against market manipulation (Article 15 of EU Regulation no. 596/2014);

Manslaughter or grievous bodily harm through negligence, committed in violation of the rules on occupational health and safety (Article 25-septies of the Decree);

- Manslaughter (Article 589 of the Italian Criminal Code);
- Bodily harm through negligence (Article 590 of the Italian Criminal Code);

Receiving, laundering and using money, goods or assets of unlawful origin, as well as self-laundering (Article 25-octies of the Decree);

- Receiving stolen goods (Article 648 of the Italian Criminal Code);
- Money laundering (Article 648-bis of the Italian Criminal Code);

- Use of money, assets or benefits of unlawful origin (Article 648-ter of the Italian Criminal Code); – Self-money laundering (Article 648-ter[1] of the Italian Criminal Code);

Offences relating to non-cash payment instruments and fraudulent transfer of valuables (Article 25-octies[1] of the Decree);

- Misuse and falsification of non-cash payment instruments (Article 493-ter of the Italian Criminal Code);
- Possession and distribution of computer equipment, devices or programmes intended to commit offences involving non-cash payment instruments (Article 493-quater of the Italian Criminal Code);
- Computer fraud aggravated by the transfer of money, monetary value or virtual currency (Article 640-ter[2] of the Italian Criminal Code);
- Other offences against public trust, against property or otherwise harming property, whereby involving non-cash payment instruments (Article 25-octies[2] of Legislative Decree no. 231/2001);
- Fraudulent transfer of valuables (Article 512-bis of the Italian Criminal Code);

Offences relating to breach of copyright (Article 25-novies of the Decree);

- Criminal protection of economic and moral copyright (Article 171[1][a-bis] and [3] of Law 633/1941);
- Criminal protection of software and databases (Article 171-bis[1] and [2] of Law 633/1941);
- Criminal protection of audio-visual works (Article 171-ter of Law 633/1941);
- Criminal liability relating to media (Article 171-septies of Law 633/1941);
- Criminal liability relating to conditional access to audio-visual transmissions (Article 171-octies of Law 633/1941);

Crime of incitement to refrain from making statements or to make false statements to the Judicial Authority (Article 25-sexies of the Decree);

- Incitement to not make statements or to make mendacious declarations to the judicial authority (Article 377-bis of the Italian Criminal Code);

Environmental offences (Article 25-undecies of the Decree);

This concerns offences under the Criminal Code and special laws.

- Environmental pollution (Article 452-bis of the Italian Criminal Code);
- Environmental disaster (Article 452-quater of the Italian Criminal Code);
- Offences against the environment (Article 452-quinquies of the Italian Criminal Code);
- Traffic and abandonment of highly radioactive material (Article 452-sexies of the Italian Criminal Code);
- Hindering supervisory activities (Article 452 of the Italian Criminal Code);
- Aggravating circumstances (Article 452-octies of the Italian Criminal Code);
- Failure to make restitution (Article 452-terdecies of the Criminal Code);
- Activities organised for the purpose of illicit waste trafficking (Article 452-quaterdecies of the Italian Criminal Code);
- Killing, destruction, capture and taking of specimens of protected wild animal or plant species (Article 727-bis of the Italian Criminal Code);
- Destruction or adverse modification of habitats within a protected site (Article 733-bis of the Italian Criminal Code);
- Import, export, holding, use for profit, purchase, sale, display or holding for sale or for commercial purposes of protected species (Law no. 150/1992, Article 1, Article 2, Article 3-bis and Article 6);
- Discharging industrial waste waters containing dangerous substances; discharging onto the soil, into the subsoil and into underground waters; discharging into sea waters by sea vessels or aircraft (Legislative Decree no. 152/2006, Article 137);
- Disposal of non-hazardous waste in specific cases (Legislative Decree 152/2006, Article 255-bis);
- Illegal dumping of hazardous waste (Legislative Decree no. 152/2006, Article 255-ter);
- Unauthorised waste management activities (Legislative Decree no. 152/2006, Article 256);
- Illicit waste combustion (Legislative Decree no. 152/2006, Article 256-bis);
- Pollution of the soil, subsoil, surface water or groundwater (Legislative Decree no. 152/2006, Article 257);
- Violation of reporting requirements, of obligatory record-keeping and forms (Legislative Decree no. 152/2006, Article 258);

- Illicit waste shipping (Legislative Decree no. 152/2006, Article 259);
- Negligent offences relating to waste (Legislative Decree no. 152/2006, Article 259-ter);
- False information as to the nature, composition and chemical and physical characteristics of waste in a waste analysis certificate; filing a false waste analysis certificate into the SISTRI; omission or fraudulent alteration of the paper copy of the SISTRI form – handling area in waste transportation (Legislative Decree no. 152/2006, Article 260-bis);
- Penalties (Legislative Decree no. 152/2006, Article 279);
- Fraudulent pollution caused by ships (Legislative Decree no. no. 202/2007, Article 8);
- Accidental pollution caused by ships (Legislative Decree no. no. 202/2007, Article 9);
- Termination and reduction of the use of harmful substances (Law no. 549/1993, Article 3);

Employment of citizens of other countries without a legal resident permit (Article 25-duodecies of the Decree);

- Provisions against clandestine immigrations (Article 12, paragraph 3, 3-a, 3-ter and paragraph 5, Legislative Decree no. 286/1998);
- Employment of third-country nationals without a legal residence permit (Article 22[12-bis] of Legislative Decree no. 286/1998);

Offences involving racism and xenophobia (Article 25-terdecies of the Decree);

- Propaganda or incitement to commit a crime of discrimination or violence for reasons of race, ethnicity or religion (Article 604-bis of the Italian Criminal Code);

Fraud in sporting competitions, illicit gambling or wagering and games of chance exercised by means of prohibited apparatus (Article 25-quaterdecies of the Decree);

- Fraud in sporting competitions (Article 1, Law no. 40/1989);
- Unlawful exercising of gaming or wagering activities (Article 4, Law no. 401/1989);

Tax offences (Article 25-quinquiesdecies of the Decree);

- Fraudulent declaration by use of invoices or other documents for non-existent transactions (Legislative Decree no. 74/2000 Article 2);
- Fraudulent declaration via other means (Legislative Decree no. 74/2000 Article 3);
- False declaration (Legislative Decree no. 74/2000 Article 4);
- Omission of tax return statements (Legislative Decree no. 74/2000 Article 5);
- Issue of invoices or other documents for non-existent transactions (Legislative Decree no. 74/2000 Article 8);
- Concealment or destruction of accounting documentation (Legislative Decree no. 74/2000 Article 10);
- Unlawful compensation (Legislative Decree no. 74/2000, Article 10-quater);
- Fraudulent evasion of taxes (Legislative Decree no. 74/2000 Article 11);

Smuggling offenses (Article 25-sexiesdecies of the Decree);

- Evading assessment or payment of excise duty on energy products (Article 40 of Legislative Decree no. 504/1995);
- Evasion of the assessment or payment of excise duty on manufactured tobacco (Article 40-bis of Legislative Decree no. 504/1995);
- Aggravating circumstances of the crime of evading assessment or payment of tobacco excise duty (Article 40-ter of Legislative Decree no. 504/1995);
- Mitigating circumstances (Article 40-quater of Legislative Decree no. 504/1995);
- Sale of tobacco products without authorisation or purchase from persons not authorised to sell (Article 40-quinquies of Legislative Decree no. 504/1995);
- Illegal production of alcohol and alcoholic beverages (Article 41 of Legislative Decree no. 504/1995);
- Association for the purpose of the clandestine manufacture of alcohol and alcoholic beverages (Article 42 of Legislative Decree no. 504/1995);
- Evasion of assessment and payment of excise duty on alcohol and alcoholic beverages (Article 43 of Legislative Decree no. 504/1995);

- Aggravating circumstances (Article 45 of Legislative Decree no. 504/1995);
- Tampering with devices, markings and labels (Article 46 of Legislative Decree no. 504/1995);
- Shortages and surpluses in the storage and movement of excisable products (Article 47 of Legislative Decree no. 504/1995);
- Traffic offences (Article 49 of Legislative Decree no. 504/1995);
- General provisions (Article 61[4] of Legislative Decree no. 504/1995);
- Excise duty on tobacco substitutes (Article 62-quater of Legislative Decree no. 504/1995);
- Excise duty on products containing nicotine (Article 62-quater[1] of Legislative Decree no. 504/1995);
- Smokeless inhalation products consisting of solid substances other than tobacco (Article 62-quater[2] of Legislative Decree no. 504/1995);
- Excise duty on products ancillary to smoking tobacco (Article 62-quinquies of Legislative Decree no. 504/1995);
- Smuggling by failure to declare (Article 78 of Legislative Decree no. 141/2024);
- Smuggling by means of false declaration (Article 79 of Legislative Decree no. 141/2024);
- Smuggling in the handling of goods by sea, air and across border lakes (Article 80 of Legislative Decree no. 141/2024);
- Smuggling involving the unauthorised use of imported goods for which duties have been wholly or partially reduced (Article 81 of Legislative Decree no. 141/2024);
- Smuggling in the export of goods eligible for duty drawback (Article 82 of Legislative Decree no. 141/2024);
- Smuggling in the context of temporary export and special use or processing regimes (Article 83 of Legislative Decree no. 141/2024);
- Smuggling of manufactured tobacco (Article 84 of Legislative Decree no. 141/2024);
- Criminal conspiracy with the aim of smuggling manufactured tobacco (Article 86 of Legislative Decree no. 141/2024);
- Equating an attempted crime with a committed crime (Article 87 of Legislative Decree no. 141/2024);
- Aggravating circumstances in smuggling (Article 88 of Legislative Decree no. 141/2024);

Offences against cultural heritage (Article 25-septiesdecies of the Decree);

- Theft of cultural property (Article 518-bis of the Criminal Code);
- Misappropriation of cultural property (Article 518-ter of the Italian Criminal Code);
- Receiving cultural property (Article 518-quater of the Italian Criminal Code);
- Falsification of a private document relating to cultural heritage (Article 518-octies of the Italian Criminal Code);
- Offences relating to the disposal of cultural property (Article 518-novies of the Italian Criminal Code);
- Illegal importation of cultural property (Article 518-decies of the Italian Criminal Code);
- Illegal removal or export of cultural property (Article 518-undecies of the Italian Criminal Code);
- Destruction, dispersal, deterioration, defacement, vandalism and unlawful use of cultural or landscape heritage (Article 518-duodecies of the Italian Criminal Code);
- Counterfeiting of works of art (Article 518-quaterdecies of the Italian Criminal Code);

Laundering of cultural heritage and devastation and pillage of cultural heritage and landscape (Art. 25-duodevicies of the Decree);

- Laundering of cultural property (Article 518-sexies of the Italian Criminal Code);
- Destruction and looting of cultural and landscape heritage (Article 518-terdecies of the Italian Criminal Code).

Offences against animals (Article 25-undevicies of the Decree);

- Killing of animals (Article 544-bis of the Italian Criminal Code);
- Cruelty to animals (Article 544-ter of the Italian Criminal Code);
- Prohibited performances or events (Article 544-quater of the Italian Criminal Code);
- Prohibition of animal fighting (Article 544-quinquies of the Italian Criminal Code);
- Killing or causing injury to another person's animals (Article 638 of the Italian Criminal Code);

Responsibility of institutions for criminal administrative wrongdoings [constituting a prerequisite for entities operating within the virgin olive oil supply chain] (Article 12, Law no. 9/2013);

- Adulteration and counterfeiting of food substances (Article 440 of the Italian Criminal Code);
- Trade in adulterated or counterfeit food substances (Article 442 of the Italian Criminal Code);
- Trade in harmful food substances (Article 444 of the Italian Criminal Code);
- Counterfeiting, alteration or use of distinctive marks of intellectual property or industrial products (Article 473 of the Italian Criminal Code);
- Importation and marketing of products with false markings (Article 474 of the Italian Criminal Code);
- Fraudulent trading (Article 515 of the Italian Criminal Code);
- Sale of non-genuine food substances sold as genuine (Article 516 of the Italian Criminal Code);
- Sale of industrial products with misleading signs (Article 517 of the Italian Criminal Code);
- Counterfeiting geographical indications or appellations of agricultural food products (Article 517-quater of the Italian Criminal Code);

Transnational offences (Article 10, Law 146/2006).

The following offences are prerequisites for the administrative responsibility of institutions whereby committed in a transnational manner:
- Criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type associations, including foreign associations (Article 416-bis of the Italian Criminal Code);
- Criminal association aimed at the smuggling of foreign processed tobacco (Article 291-quater of the Consolidated Text referred to in Presidential Decree no. no. 43 dated 23rd January 1973);
- Association aimed at illicit trafficking of narcotic or psychotropic substances (Article 74 of the Consolidated Text referred to in the Presidential Decree no. 309 dated 9th October 1990);
- Provisions against illegal immigration (Article 12[3], [3-bis], [3-ter] and [5] of the
- Consolidated Text referred to in Legislative Decree no. 286/1998);
- Incitement to not make statements or to make mendacious declarations to the judicial authority (Article 377-bis of the Italian Criminal Code);
- Aiding and abetting (Article 378 of the Italian Criminal Code).

The offences referred to above may also entail the administrative responsibility of the Entity that, despite having its main office in the Italian territory, have been committed abroad.

1.3 The sanctioning system established by the Decree

A finding of liability under Decree 231 exposes the organisation to the sanctions of: (i) financial penalties; (ii) disqualification orders; (iii) confiscation of the proceeds or profits of the offence; (iv) publication of the conviction.

Financial penalties apply whenever liability of the legal entity is established and determined by the criminal judge through a quota-based system. In the commensurate financial penalty, the court determines the number of quotas, taking into account the seriousness of the deed, the degree of responsibility of the Entity and the activity carried out to eliminate or mitigate the consequences of the deed and to prevent the commission of further wrongdoings. The amount of the quota is determined, rather, on the basis of the economic and capital conditions of the Entity.

Interdictive penalties may be applied in addition to financial sanctions but only if expressly established for the offence to which the proceedings refer and only in the event that at least one of the following conditions is met:
- The Entity gained significant profit from the crime and the offence was committed by a person in a senior or subordinate position but only whereby the commission of the offence was rendered possible by serious organisational deficiencies;
- In the event of repeated wrongdoings.

Such results in the interdiction from the exercise of corporate activity; the suspension and revocation of authorisations, licenses or concessions functional to the commission of the tort; in the prohibition of contracting with the public administration (except in order to obtain the benefits of a public service); in exclusion from concessions, financing, contributions or subsidies and in the possible withdrawal of those granted; in the prohibition of advertising goods or services.

Interdictive sanctions shall not apply (or shall be revoked, if already applied on a precautionary basis) if the Entity, prior to having declared the initiation of the first instance hearing, has:
- Compensated for or repaired the damage;
- Eliminated the harmful or dangerous consequences of the crime (or has, at least, undertaken to do so);
- Made available to the Judicial Authority, for confiscation, the profit from the crime;
- Eliminated the organisational deficiencies that determined the crime, adopting organisational models able to prevent the commission of new crimes.

Confiscation consists in the State's acquisition of the price of or profit from the crime or the acquisition of sums of money, property or other benefits of value equivalent to the price or profit of the Offence. It does not, however, assign any portion of the price of or profit from the Offence that may be issued to the injured party. Confiscation is always established along with the sentencing.

Publication of the ruling may be imposed when an interdictive penalty is applied to the Entity. It is carried out by posting signs in the municipality where the Entity has its head office and by publication on the Ministry of Justice's website.

1.4 The Organisation, Management and Control Model as exempt from responsibility established by the Decree

If the crime is committed by subjects who have the functions of representation, administration or management of the Entity or of its Organisational Unit equipped with financial and functional autonomy, as well as persons who exercise, even de facto, the management or control of the same, the Authority shall not respond if it is proven that:
- **The governing body has adopted and effectively implemented, before the commission of the deed, a Model able to prevent crimes such as that which has occurred;**
- The task of supervising the operation and compliance of the Model and its updating has been entrusted to a body of the Entity with autonomous powers of initiative and control;
- The subjects committed the crime by fraudulently circumventing the Model;
- There has been no lacking or insufficient supervision by the Control Body in respect of the Model.

In the event that, rather, the crime is committed by subjects under the direction or supervision of one of the aforementioned subjects, the legal entity shall be liable if the commission of the crime was rendered possible by the failure to comply with the management and supervision obligations. Such non-compliance is, in any case, excluded whereby the Entity, prior to the crime being committed, has adopted and effectively implemented a Model suitable for preventing crimes such as that to have occurred.

The Decree thus establishes that the company is not subject to sanctions if it can prove having adopted and effectively implemented **Organisation, Management and Control Models able to prevent the commission of crimes such as that to have occurred**, without prejudice to the personal responsibility of those committing the deed.

Therefore, the legislator has placed an exacting value on the company's Organisation, Management and Control Models in the event that they are capable of risk prevention, as well as adopted and implemented effectively. The Decree also specifies the needs to which the Models must respond.

Namely:
- Identify the activities in which the offences laid out in the Decree may be committed;
- Establish specific protocols aimed at scheduling the training and implementation of the Entity's decisions in relation to the offences to be prevented;
- Identify ways to manage the financial resources that are suitable for preventing the commission of such offences;
- Set information obligations to the Member Body to monitor the operation and compliance of the Models;
- Introduce a system able to sanction any failure to comply with the measures indicated in the Model;
- Iin relation to the nature and dimension of the organisation, as well as the type of activity carried out, establish appropriate measures to ensure the activity is conducted in accordance with the law and to reveal and eliminate situations of risk in a timely manner.

2
COTONIFICIO ALBINI S.P.A.

Cotonificio Albini, a company belonging to Albini Group, is a family company with over 150 years' experience in the textile industry. It has been established as an undisputed leader – in both the domestic and international markets – in the development, production and sale of high-quality shirt fabrics.

Through a careful selection of raw materials combined with a spirit of research and experimentation that have resulted in yarn-making know-how and a simultaneously unique creative vision, Cotonificio Albini is now able to create and produce over 20,000 fabrics per year and to satisfy customers from all market segments in over 80 countries around the world.

2.1 Corporate Governance

The Company has adopted a system of collegial multi-personnel administration.

The **Board of Directors**, comprising four members, is the strategic supervisory body in accordance with the legislation in force at any given time. Vested with the broadest powers for the day-to-day and extraordinary management of the Company, it is authorised to carry out all necessary transactions for the implementation and achievement of the Company's objects, subject to the requirement for specific approvals expressly reserved by law for the Shareholders' Meeting.

The Board of Statutory Auditors consists of 3 actual members and 2 alternates, being tasked with monitoring compliance with the law and statute, respecting the principles of proper administration and the adequacy of the organisational structure of the Company, the internal control system and the accounting administrative system.

Accounting checks are entrusted to an Auditing Company, in accordance with the regulations and principles of reference.

2.2 The internal control system

In the constructing the Model, Cotonificio Albini took into consideration the organisation's governance instruments for the Company that guarantee its operation and, in particular, the:

- **Statute** - which includes several forecasts relating to corporate governance aimed at ensuring the proper performance of the management activity;
- **Organisational system** - consisting in administrative structures/positions and areas of responsibility, included in the Organisation Chart and forming an integral part of this Model;
- **Code of Ethics** - comprised of a set of rules of conduct and principles of a general nature to which all internal and external entities with a direct or indirect relationship with Cotonificio Albini must comply and whose infringement involves the application of the sanctioning measures laid out in the sanctioning system of this Model;
- **Procedural system** - composed of policies and procedures aimed at regulating the relevant processes and providing operational means and supervisory controls for carrying out corporate activities. The Company also observes the legislation of reference for the sector.

The rules and principles set out in the documentation listed above, whilst not set out in detail in this Code, serve as a means of preventing unlawful conduct in general, including that referred to in Legislative Decree no. 231/2001, which forms part of the broader system of Organisation, Management and Control that the Model is intended to complement and with which all relevant parties are required to comply, depending on the nature of their relationship with the Company.

3

THE ORGANISATION, MANAGEMENT AND CONTROL MODEL OF COTONIFICIO ALBINI

The Company adopted the Organisation, Management and Control Model, in its current version, by resolution of the Board of Directors dated 13th October 2025.

Any subsequent amendments and additions to this Organisational Model shall be made by the Board of Directors, including at the request of the Supervisory Body.

The Company's Board of Directors adopts all decisions regarding the implementation of the Model, by evaluating and approving the actions necessary for implementing the constitutive elements of the same.

3.1 The objectives and purposes pursued with the adoption of the Organisation Model

The purpose of Cotonificio Albini S.p.A.'s Organisation, Management and Control Model is to establish a **structured and comprehensive system of prevention and control** aimed at **reducing the risk of offences referred to in Legislative Decree no. 231/2001**, by identifying the activities exposed to the risk of criminal offences and establishing the relevant procedures.

By adopting the Model, Cotonificio Albini S.p.A. aims, in particular, to pursue the following main objectives:
- **Identify the areas and business activities that are vulnerable** to the risk of offences being committed under Decree 231;
- Establish a **coherent and integrated system of protocols and control measures** designed to prevent the commission of offences within the corporate environment;
- Ensure that the Addressees of the Model are **aware** that, in the event of failure to comply with the provisions set out therein, they may be guilty of **offences punishable by criminal sanctions** applicable to them personally, as well as administrative sanctions that may be imposed on the Company;
- Reiterate that such **forms of unlawful conduct are strongly condemned and will not be tolerated by Cotonificio Albini S.p.A.**, as they (even where the Company might appear to stand to gain from them) are in any event contrary not only to the provisions of the law but also to the ethical principles to which it intends to adhere in the conduct of its business;
- Enable the Company, through **monitoring of high-risk areas of activity, to take prompt action to prevent or combat the commission of such offences**.

3.2 The "Addressees" of the Organisational Model

The principles and provisions set out in this document must be complied with by all corporate bodies, officers and employees, as well as by any third parties who, in any capacity, act on behalf of or in the interests of the Company.

This Model applies, in particular, to:
- Members of the **Board of Directors, Statutory Auditors** and **External Auditors**;
- **Employees**;
- **Consultants, contractors, suppliers, professionals, agents and other third parties acting on behalf of the Company** (e.g., IT companies responsible for developing management systems and banks), insofar as they may be involved in carrying out activities in which the commission of one of the predicate offences referred to in the Decree is conceivable;
- **Those acting under the direction or supervision of business leaders** within the assigned tasks and functions.

The subjects thus identified are hereinafter referred to as the "Addressees".

3.3 Drawing up the Organisational Model

The work carried out to draw up the Model took the form as described:
- In the identification of sensitive sectors/activities/areas, with reference to the crimes cited by the Decree through the analysis of the most relevant corporate documents (but not limited to the statute, certificate of incorporation, and the like);
- In the analytical examination of sensitive areas, foreshadowing the methods and instruments through

which it would be possible for the company, its administrative bodies, employees and the figures covered by Article 5 of the Decree generally (including through meetings and talks with interested parties) to commit the offences listed in the Decree;
- The identification of existing internal rules and protocols – whether formalised or not – only in reference to areas identified as being at risk of crime;
- The definition of standards of conduct and control or of activities which, in agreement with the Company, have been deemed as appropriate to regulate;
- In the framework of how the financial resources are managed to prevent the commission of crimes;
- In the identification of the subject(s) responsible for monitoring the concrete application of this Model (hereinafter referred to as the "Supervisory Body") with the simultaneous preparation of the Report to and from the Supervisory Body itself;
- In the provision of a system able to sanction both the failure to comply with the measures indicated in the Model and violations of the Code of Ethics.

3.4 Mapping of "sensitive" Cotonificio Albini S.p.A. activities

In accordance with the provisions of Decree 231 and the procedures outlined above, and taking into account the current operations of Cotonificio Albini and its existing organisational structure, the activities have been identified within which, in principle, the offences provided for by the Decree might be committed (**"sensitive" activities**) and the business processes within which, again in principle, the conditions or means for the commission of certain types of offences might arise
(**"instrumental" trials**).

As part of this mapping exercise – to which readers are referred for full details and specifications – certain cases considered **potentially relevant** and falling within the following categories of offences set out in Legislative Decree no. no. 231/2001:
- **Offences committed in dealings with the Public Administration** (Articles 24 and 25);
- **Computer crimes and unlawful processing of data** (Article 24-bis);
- **Organised crime offences** (Article 24-ter);
- **Offences against industry and commerce** (Article 25-bis[1]);
- **Corporate offences** (Article 25-ter);
- **Offences against the individual** (Article 25-quinquies);
- **Manslaughter and causing serious or very serious bodily harm in breach of workplace health and safety regulations** (Article 25-septies);
- **Receiving stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering** (Article 25-octies);
- **Offences relating to non-cash payment instruments and the fraudulent transfer of funds** (Article 25-octies[1]);
- **Offences relating to copyright infringement** (Article 25-novies);
- **Incitement to not make statements or to make mendacious declarations to the judicial authority** (Article 25-decies);
- **Environmental offences (Article 25-undecies);**
- **The offence of employing third-country nationals whose without a legal resident permit** (Article 25-duodecies);
- **Tax offences** (Article 25-quinquiesdecies);
- **Smuggling offences** (Article 25-sexiesdecies).

Offences committed with the aim of terrorism or subverting the democratic order, as provided for in the Italian Criminal Code and special laws (Article 25-quater), offences relating to female genital mutilation (Article 25-quater[1]), market abuse offences (Article 25-sexies), offences involving the forgery of currency, public credit cards, revenue stamps and identification documents or marks (Article 25-bis), offences relating to racism and xenophobia (Article 25-terdecies), as well as offences relating to fraud in sporting competitions, the unauthorised operation of gambling or betting activities, and gambling carried out using prohibited devices (Article 25-quaterdecies), offences against cultural heritage (Article 25-septiesdecies), offences relating to the laundering of cultural heritage and the destruction and looting of cultural and landscape heritage (Article 25-duodevicies) and offences against animals (Article 25-undevicies), as well as **other criminal offences** – amongst those falling within the categories set out in the above bulleted list – not mentioned in the Special Section of this Model have all been analysed during the mapping of activities and instrumental

processes. However, following a careful preliminary assessment, supported by an extensive series of interviews and a review of company documents, **no specific instances of such offences were identified**, taking into account both the Company's operational reality and the constituent elements necessary for the commission of the offences in question. **In any event, it is considered that the risk profiles associated with these additional criminal offences are, on the whole, covered by the provisions set out in this Organisation, Management and Control Model**, as well as in the annexes and documents forming an integral part thereof, as well as **by the general principles set out in the Code of Ethics**.

3.5 The structure of Cotonificio Albini's Organisational Model

The Model consists in a General Section and the following Special Sections aimed at presiding over the previously-identified risk activities:

- **Special Section A -** Offences against the Public Administration and its assets, offences of corruption between private individuals and incitement to corruption between private individuals and the crime of induction not to submit statements or to make misleading statements to the Judicial Authority;
- **Special Section B -** Computer crimes, unlawful processing of data and offences relating to copyright infringement;
- **Special Section C -** Offences against industry and commerce, as well as offences relating to non-cash payment instruments;
- **Special Section D -** Corporate and tax offences;
- **Special Section E -** Crimes against the person and crimes of employing third-country nationals without a legal residence permit;
- **Special Section F -** Crimes of manslaughter or grievous bodily harm through negligence, committed in violation of the rules on health and safety at work;
- **Special Section G -** Offences relating to handling stolen goods, money laundering and the use of money, property or benefits of unlawful origin, as well as self-laundering; organised crime offences; smuggling offences;
- **Special Section H -** Environmental offences.

The Code of Ethics of Cotonificio Albini S.p.A. also forms an integral part of the Model, as well as the internal protocols and procedures adopted by the Company, which help to define the day-to-day operations of the company, even where not expressly referred to in the Special Section.

4
COTONIFICIO ALBINI'S SUPERVISORY BODY

In accordance with the provisions of Article 6 of Decree no. 231, the task of **overseeing the operation of and compliance with the Model**, along with the annexes and documents forming an integral part thereof, is entrusted to a body within the organisation endowed with independent powers of initiative and control (Article 6[1][b] of Legislative Decree no. 231/2001), referred to as the **Supervisory Body** (hereinafter, also the "SB").

In accordance with the provisions of the Decree, the Supervisory Body is responsible for monitoring, exercising its own powers of initiative and control:

- **On the effectiveness and adequacy of the Model** in relation to the Company's structure and its actual ability to prevent the commission of the offences provided for in the Decree;
- **On compliance with the requirements** set out in the Model by the Addressees;
- **On whether the Model should be updated**, where there is a need to amend and/or supplement it in light of changes in the Company's circumstances and/or regulatory requirements, as well as following the discovery of any unlawful conduct relevant under Legislative Decree no. 231/2001 or established non-compliance/breaches of the Organisation, Management and Control Model.

4.1 The requirements of the Supervisory Body

The members of the Supervisory Body must have all the prerequisites set out in the Confindustria Guidelines. Specifically:

AUTONOMY AND INDEPENDENCE - The Body must remain extraneous to any form of interference and pressure by top management and not be involved in the exercise of operational activities and management decisions in any way. The Supervisory Body must not be in a situation of conflict of interest whilst operational tasks that may undermine autonomy should not be assigned to the Body as a whole but also to the individual components.

The requirement for autonomy and independence must also be understood as the absence of family ties and hierarchical constraints with the top management of the Company or with entities holding operational powers within the same.

The Supervisory Body must report to the company's top management and in doing so, must be able to dialogue "as equals".

PROFESSIONALISM - That is, the possession of the technical, professional and specialist skills required to carry out the assigned tasks effectively and successfully. These characteristics, combined with its independence, ensure the Body's objectivity in its assessments. In this sense, the Company considers the careful examination of the curricula of possible candidates and their prior experience of particular pertinence, prioritising profiles that have accrued a specific professionalism in the matter.

CONTINUITY OF ACTION - The Supervisory Body continuously carries out in a stable manner the activities necessary for overseeing the Model with the due commitment and necessary powers of investigation, meeting at least quarterly.

INTEGRITY - That is to say, seriousness and respectability, including in relation to compliance with the grounds for ineligibility, revocation, suspension or forfeiture of office as members of the Supervisory Body, as specified below.

The requirements described above must be verified as part of the appointment by the Board of Directors.

In accordance with the regulatory requirements set out in the Decree and in light of the guidance provided by case law[1] and industry best practice, the Company has opted for a collegial body comprising three members selected from among individuals who are particularly qualified and experienced in the matters relevant to Legislative Decree no. 1 See, amongst the most recent, the Criminal Division of the Court of Cassation, Section VI, no. 4535/2025.
231/2001, so as to ensure that the Body has adequate expertise in matters relevant to Legislative Decree no. 231/2001, and must also meet the necessary integrity requirements.

[1] See, amongst the most recent, the Criminal Division of the Court of Cassation, Section VI, no. 4535/2025.

At the time of appointment, the Board of Directors shall determine the remuneration for the Body for the entire term of office.

The Body has internal regulations governing its operating procedures to govern its operating means, reporting activities before corporate and control bodies (both internal and external), as well as formal and substantive requirements to which it is held pursuant to its office. Such Regulations are approved by the Supervisory Body and submitted to the Board of Directors for their information.

4.2 Causes of ineligibility, revocation, suspension and forfeiture

In appointing the members of the Supervisory Body, the Company's Board of Directors expressly established the following causes of **ineligibility** for the same members of the Supervisory Body.

Hence, a person cannot be elected whereby they have:

- Been convicted – even if not yet defined – or sentenced with the application of a punishment through plea bargaining or with a conditionally suspended sentence, save the effects of rehabilitation:
  1. to imprisonment for a term of not less than one year for any of the offences set out in Royal Decree no. 267/1942;
  2. to imprisonment for a term of not less than one year for any of the offences provided for in the legislation governing banking, finance, securities and insurance activities, as well as in the legislation relating to markets, securities and payment instruments;
  3. imprisonment for a term of not less than one year for any offence against the Public Administration, against public trust, against property, against the public economy, or for a tax offence;
  4. for any intentional offence, imprisonment for a term of not less than two years;
  5. for any of the offences set out in Title XI of Book V of the Italian Civil Code, as amended by Legislative Decree no. 61/2002;
  6. for any offence which entails, or has entailed, a sentence resulting in disqualification, even if temporary, from public office, or temporary disqualification from holding managerial positions in legal persons and undertakings;
  7. for one or more offences among those expressly provided for in the Decree, even if the sentences imposed are less severe than those indicated in the preceding points;

- Been subject to one of the preventive measures – applied definitively – as established under Article 10 (3) of Law 575/1965, replaced by Article 3 of Law 55/1990 and subsequent modifications;
- Thos who have been issued ancillary administrative penalties as set out under Article 187-quater of Legislative Decree no. 58/1998.

The members of the Supervisory Body must self-certify through a self-declaration affidavit that they are not subject to any of the above conditions, expressly undertaking to communicate any changes in relation to the content of such statements.

Any removal of members of the Body must be decided by the Board of Directors of the Company, with such action only to be taken for reasons relating to serious failure to fulfil the terms of the mandate undertaken, including breaches of the obligations to matters of confidentiality directly related to the performance of their duties.

Furthermore, the members of the Supervisory Body **shall cease to hold office** immediately upon their appointment if:

- Convicted with a final ruling or plea bargain of one of the offences referred to in numbers 1, 2, 3, 4, 5, 6 and 7 of the conditions of ineligibility indicated above;
- Under legal incapacity or have been declared legally incompetent, or are otherwise unable, due to a subsequent physical or mental infirmity, to carry out the duties assigned to them in full.

The members of the Supervisory Body shall also be suspended from performing their functions in the case whereby:

- They receive a non-final sentence for one of the offences indicated in numbers 1 to 7 of the conditions

of ineligibility indicated above;
- At the request of the parties, application of one of the penalties referred to in numbers 1 to 7 of the conditions of ineligibility indicated above occurs;
- There is application of a personal protective measure;
- There is a provisional application of the preventive measures provided for in Article 10(3) of Law 575/1965, as replaced by Article 3 of Law 55/1990 and subsequent modifications.

The Supervisory Body remains in office for three years, with its term of office ending on the date of approval of the
Financial Statements for the third financial year, and is eligible for re-election. The remuneration of the Body is determined by the Board of Directors at the time of appointment for the entire term
of office.

4.3 Tasks of the Supervisory Body

The Supervisory Board carries out its duties with complete independence but does not operate under the authority of any other corporate function, nor of the Board of Directors, to which it nevertheless reports the results of its activities. It therefore acts in accordance with the objectives assigned to it by law and directs its practical operations towards the pursuit of those objectives.

In accordance with the provisions of the Decree, the Supervisory Board exercises its powers of initiative and supervision of all the Company's representatives and, for the performance of its
tasks, interacts with the Company's departments and draws on their support.

In fulfilment of the duties assigned to it pursuant to Article 6 of the Decree, the Supervisory Body is entrusted with the following
activities:
- To promote the dissemination of, and verify knowledge and understanding of, the principles and rules of conduct set out in the Model and in the annexes and documents forming an integral part thereof, to monitor the effectiveness of the Model, verifying in particular the consistency between the Model itself and the specific rules adopted in areas at risk;
- To verify, through periodic checks, that the Model is being complied with by all individual business units/areas at risk, in order to ensure that the regulations defined and the safeguards enacted are adhered to as closely as possible and are, in practice, effective in preventing the risks of the offences identified from being committed;
- To be vigilant in ensuring that the Code of Ethics and all provisions contained therein are complied with by all entities operating in any capacity within the Company;
- To report any updates and adjustments to the Model to the Board of Directors, in accordance with changes to the law and case law, or as a consequence of changes arising in the corporate organisation;
- To monitor the proper functioning of control activities for each area at risk, promptly reporting any anomalies and dysfunctions regarding the Model, after discussions with the areas/functions concerned;
- To inform the competent body of any breaches of the Code identified during its monitoring activities, with a view to initiating disciplinary proceedings;
- To evaluate and propose the imposition of any disciplinary sanctions, subject to the necessary coordination with the managers of the relevant corporate functions/areas;
- To check that any identified non-compliance and/or breaches of the Code are effectively and appropriately penalised.

In order to ensure that supervisory activities are fully effective, the Supervisory Body is granted access to any company document relevant to the performance of the functions assigned to it under the Decree.

In the course of carrying out its duties, and in any circumstances whereby deemed necessary or appropriate for the proper performance of the functions set out in the Decree, the Supervisory Board may request information or issue communications to the Board of Directors.

In carrying out its supervisory and monitoring duties, the Supervisory Body may call upon the support of other internal departments within the Company, as well as external consultants of proven professional standing, where such proves necessary for the performance of verification and monitoring activities or for

updating the Model.
The Supervisory Board is allocated an appropriate annual budget, determined by the Board of Directors at the time of its appointment, so that it may carry out its duties with full autonomy, without any restrictions that might arise from a lack of financial resources.
However, the Supervisory Body may independently commit resources that exceed its powers of expenditure, in compliance with corporate procedures, whereby the use of the same is necessary in facing exceptional and urgent situations. In such cases, the Body must inform the Board of Directors without delay.

4.4 Supervisory Body reporting activity

In order to ensure its full autonomy and independence in the performance of its duties, the Supervisory Body reports directly to the Company's Board of Directors and, to this end, refers to the implementation of the Model and the emergence of possible critical matters through two lines of reporting:

- Firstly, on an **ongoing basis**, informing the Board of Directors without delay should it identify any non-compliance and/or established breaches of Model[2] or should updates or amendments to the adopted Model become necessary as a result of regulatory or organisational changes;
- Secondly, on a **half-yearly basis**, with respect to the Board of Directors and the Board of Statutory Auditors, through a written report that must promptly indicate the activity carried out throughout the year, both in terms of the checks conducted and the results obtained and in relation to any need for updating the Model.

The Supervisory Body must also prepare an annual plan of activities foreseen for the following year, identifying the activities to be carried out and the areas to be reviewed, in addition to the timelines and the priority of operations.

Within the context of sensitive business activities and whereby such is considered as necessary for carrying out its functions, the Supervisory Body may conduct checks not foreseen in the plan of operation (so-called "surprise checks").

The Body may request to be heard by the Board of Directors whenever liaising with that body is considered appropriate; likewise, the Supervisory Body has the option of asking the Board of Directors for clarifications and information.

On the other hand, the Supervisory Body may be convened at any time by the Board of Directors to report on particular events or situations relating to the operation of and compliance with the Model.

The aforementioned meetings must be recorded in the minutes and a copy of such minutes must be retained by the Supervisory Body (as well as by the bodies involved on each occasion).

4.5 Obligations for disclosure to the Supervisory Body

In order to carry out its supervisory and monitoring functions effectively, the Supervisory Body must be kept constantly informed of the Company's day-to-day operations and must be promptly notified of any event that could potentially affect the smooth running of the organisation and compliance with the Organisational Model by all those subject to it.

As part of its supervisory activities, the Supervisory Body determines the documentation which, on a regular basis, must be brought to their attention.

Without prejudice to the Supervisory Body's right to request information in any area deemed relevant to its supervisory and monitoring functions, the Addressees are in any event obliged to provide the following to the Supervisory Body:
- Measures and/or news coming from judicial police bodies or any other authority, from which it is demonstrated the conduct of investigations, including against unknown persons for crimes established in the Decree, with regards to the Company;
- Visits, inspections and investigations initiated by the competent authorities (regions, regional or local authorities) and, upon their conclusion, any findings and penalties imposed;

[2] In the event of non-compliance and/or established breaches committed by members of the Board of Directors, the Supervisory Body is required to report such also to the Shareholders' Meeting.

- Requests for legal assistance made by the parties internal to the Company, in the event of initiation of a court proceeding for one of the offences outlined in the Decree;
- Reports drawn up by the corporate structures in the context of their control activities, from which emerge elements of a critical nature with respect to the regulations of the Decree;
- Periodically, details about the actual implementation of the Model with regards to all corporate areas/functions at risk;
- Periodically, information pertaining to the effective compliance with the Code of Ethics across all corporate levels;
- Information on the evolution of activities regarding the areas at risk;
- The system of delegations and proxies adopted by the Company;
- Reports on the detection of administrative, regulatory or tax offences.

In addition to the above, the Supervisory Board may also provide for the periodic submission of certain information, where appropriate listing such in a separate document ("Information Flows Document").

The information flows mentioned above may be sent to the Organisation either by post to the following address:

Cotonificio Albini S.p.A. Supervisory Body
Via Dottore Silvio Albini no. 1
- 24021 Albino (BG)

via email to **odv.cotonificioalbinispa@albinigroup.com**

All information transmitted is stored by the Supervisory Body in a dedicated digital and paper archive, in accordance with the applicable regulations on personal data protection.

4.6 Whistleblowing – being the protection of any employee and/or collaborator who reports a wrongdoing – per Article 6(2-bis) of Legislative Decree no. 231/2001

Reports of unlawful conduct are made in accordance with the relevant regulatory provisions on Whistleblowing, with particular reference to the protection of the Whistleblower from any form of retaliation and/or discrimination.

In particular, it is prohibited to take any direct or indirect retaliatory or discriminatory action against the Whistleblower for reasons directly or indirectly linked to the report, in accordance with the provisions of Article 6(2-bis) of Legislative Decree no. 231/2001, as well as Legislative Decree no. 24/2023 and EU Directive no. 2019/1937.

In accordance with the provisions of current legislation, Cotonificio Albini S.p.A. has adopted a specific procedure (Whistleblowing Policy – Procedure for Reporting Offences and Irregularities) which sets out the principles designed to protect Whistleblowers and Affected Persons, the procedures for submitting reports, the relevant management process and any possible action that may be taken in response to identified breaches.

In particular, in order to ensure the effectiveness and integrity of the internal reporting system, the Company, in accordance with current legislation, has designated the following as **Reporting Officers**, who are responsible for receiving and handling reports:
- The **Supervisory Body**, with regard to reports of conduct constituting predicate offences under Legislative Decree no. 231/2001 or which constitute breaches of the Organisational Model;
- The **HR Department**, with regard to all other breaches established by Legislative Decree no. 24/2023.

The Company has also set up an internal Reporting Platform, through which reports can be submitted and communicated at **https://digitalroom.bdo.it/albini/home.aspx**.

The Company and its representatives are prohibited from taking any direct or indirect retaliatory or discriminatory action against the Whistleblower on grounds directly or indirectly related to the Report.

It is clarified, in accordance with current provisions, that the **retaliatory or discriminatory dismissal of the Whistleblower is to be deemed void**, as are any changes of duties or any other retaliatory or discriminatory measures taken against them.

The burden of proof is on the employer, who must demonstrate that – in the event of disputes related to the imposition of disciplinary penalties or to any claims, dismissals, transfers or subjection of the reporting party to another organisational measure having negative, direct or indirect, effects on working conditions following the submission of the report – such measures are based on reasons unrelated to the reporting itself.

Failure to comply with the measures designed to protect Whistleblowers or the submission of unfounded reports made with intent or gross negligence will be subject to disciplinary sanctions in accordance with the provisions set out in paragraph 6 below ("Disciplinary System").

5
TRAINING AND INFORMATION

5.1 General provisions

The Company intends to ensure proper and complete knowledge of the Model, that contained in the Decree and the obligations arising from such, amongst all persons operating on behalf of the Company. Training sessions will be organised over time by the Company, according to the recurrence and mandatory criteria, eventually as well as that of diversification. Upon conclusion of the training activities, a verification of the degree of learning and the level of satisfaction of the participants shall be carried out. Training and information are handled by the Company, in close coordination with the Supervisory Body.

5.2 Initial communication

This Policy is communicated to all staff by the Chief Executive Officer.
All Employees, along with the Senior Management, must sign a special form through which they certify knowledge and acceptance of the Model, a hard or soft copy of which they have at their disposal.

New hires are given a dossier containing the Model and Code of Ethics, with the declaration that understanding the contents thereof is considered to be of primary importance.
All subsequent modifications and information regarding the Model will be communicated to the corporate resources through official information channels.

5.3 Employee training

Participation in training activities aimed at raising awareness of the regulations set out in the Decree, the Organisation, Management and Control Model, and the annexes and documents forming an integral part thereof, including the Code of Ethics and the "Whistleblowing Policy – Procedure for Reporting Offences and Irregularities" is to be considered **compulsory**.
In terms of the contents and methods of providing the relevant courses, such training shall take into account the qualification of the recipients, the level of risk in the area in which they operate and the allocation or not of functions of representation.
Non-justified absence from the training sessions is considered as a disciplinary wrongdoing, in accordance with the provisions of the Sanctioning System clarified hereinafter.

Cotonificio Albini will arrange for the implementation of training courses that will illustrate, with a modular approach:
- The regulatory context;
- The Organisation, Management and Control Model adopted by the Company, including Special Parts;
- The Company's Code of Ethics;
- The role of the Supervisory Body and the tasks it is assigned by the Company.

The Supervisory Body ensures that training programmes are qualitatively adequate and effectively implemented.

The Company will establish a specific section of the corporate intranet, dedicated to the matter and updated periodically, in order to allow the interested parties to be informed in real time about any changes, integrations or implementations of the Code of Ethics and the Model, as well as to all other documents forming an integral part thereof.

5.4 Disclosure to "Third-party Addressees"

The Company mandates knowledge and observance of the Model and Code of Ethics amongst "Third-party Addressees", such as consultants, contractors, suppliers and other external entities operating on behalf of the Company.
Information is provided through the publication of the Policy and the Code of Ethics on the company's website (www.albinigroup.com).
Cotonificio Albini shall arrange for inclusion of special clauses in the contracts entered into with third parties with which it operates, providing for the termination of obligations regarding negotiation in the event of non-compliance with the established ethical principles.

[1] See, amongst the most recent, the Criminal Division of the Court of Cassation, Section VI, no. 4535/2025.

6
THE DISCIPLINARY SYSTEM

6.1 General profiles

The provision of a disciplinary system able to discipline any failure to comply with the regulations indicated in the Model is a condition required by Legislative Decree no. 231/2001 for the exemption of administrative responsibility of the institutions and to ensure the effectiveness of the Model.
The disciplinary system outlined in the following paragraphs is designed to **impose sanctions for failure to comply with the principles and rules of conduct** set out in the **Organisational Model** and in the internal documents and acts referred to therein or otherwise covered by corporate governance, supplemented, where not expressly outlined and limited to the cases covered therein, the relevant sector-specific National Collective Labour Agreements applicable to employees.

The relevant conduct includes, by way of mere example:
- Failure to comply with the principles and rules of conduct set out in the **Code of Ethics**, in the **Special Section**, as well as in the **Procedures** and organisational documents that form an integral part of the Organisational Model (including the **"Whistleblowing Policy – Procedure for Reporting Offences and Irregularities"**);
- Failure to provide, or the provision of false information regarding, the activities carried out in relation to the procedures for **documentation, retention and control of records**, thereby preventing transparency and verifiability of such activities;
- Failure to attend, without valid reason, the training provided on the Legislative Decree, the Form, the Code of Ethics and the procedure **"Whistleblowing Policy – Procedure for Reporting Offences and Irregularities"**;
- Failure to comply with and/or **circumventing the control system**, by means of the removal, destruction or alteration of the documentation required by the Special Section and/or the Internal Procedures, or by carrying out activities aimed at preventing the designated persons and the Supervisory Body from monitoring or accessing the requested information and documentation;
- In breach of the provisions relating to **signatory powers** and the system of **delegations of authority**;
- **Failure of hierarchical managers to supervise** their subordinates with regard to the correct and effective application of the principles of conduct set out in the Code of Ethics, the Special Section and the internal procedures which form an integral part of the Model;
- Conduct that involves failure to comply with the **regulatory provisions and measures** adopted by the Company in relation to whistleblowing, or that consists of **unfounded reports made with intent or gross negligence** (Article 6[2-bis] of Legislative Decree no. 231/2001 and Legislative Decree no. 24/2023 – for which see § 4.6 above).

The system of sanctions issued in respect of the above non-compliances applies both to **employees** and to **contractors and third parties** acting on behalf of the Company, setting appropriate sanctions of a disciplinary nature in one case and of a contractual/negotiated nature (for example, termination of the contract, removal from the list of suppliers, etc.) in the other.

The disciplinary system is also extended to **senior figures** (that is, those who hold representative, administrative or managerial positions within the organisation, or who exercise, even de facto, powers of management or control), who, given the nature of their activities, warrant separate consideration when sanctions are being determined and applied.

The **imposition of disciplinary penalties** for breaches of the principles and rules of conduct indicated in the Organisational Model shall be **without the possible introduction of criminal proceedings and the outcome of the resulting ruling** for the commission of any form of illicit conduct outlined in Decree no. 231.

6.2 Imposing sanctions criteria

Any non-compliance and/or breaches found to be relevant for disciplinary purposes are **reported by the Supervisory Body to the body which, depending on the circumstances, is responsible for imposing sanctions**, as well as, where applicable, to the hierarchical manager of the person concerned.

Following the aforementioned notification, the person concerned is promptly informed of the **charge** in question and is granted a reasonable period of time to **respond** in order to put forward their defence.

[1] See, amongst the most recent, the Criminal Division of the Court of Cassation, Section VI, no. 4535/2025.

Upon any **non-compliance and/or breach** of the provisions set out in Legislative Decree no. 231/2001, of the Organisational Model or the documents comprising it, sanctions will be **imposed in proportion to the seriousness** of the non-compliance, taking into account in all cases the following **assessment criteria**:

- The significance and extent of the obligations breached;
- The level of hierarchical and/or technical responsibility of the person responsible for the non-compliance and/or the established breach of the provisions set out in Legislative Decree no. 231/2001, the Organisational Model or the documents comprising it;
- The subjective state of mind with which the conduct was carried out (intent or negligence);
- Factual circumstances sufficient to establish the context of the non-compliance and/or the established breach of the provisions set out in Legislative Decree no. 231/2001, the Organisational Model or the documents comprising it, with regard to professional competence, previous work experience and any repeat instances of the alleged non-compliance;
- Any sharing of liability with other individuals who contributed to the non-compliance;
- The extent to which such conduct is likely to undermine, even at a potential stage, the overall effectiveness of the Organisational Model.

Where a single act constitutes multiple offences punishable by different penalties, the most severe penalty shall be imposed.
The imposition of any disciplinary sanction, irrespective of whether proceedings are instituted and/or the outcome of any criminal proceedings, must, as far as possible, be **guided by the principles of promptness**.

6.3 Penalties against Employees

The penalties that may be imposed on employees are applied in accordance with the provisions of Article 7 of Law no. 300 dated 20th May 1970 (the "Workers' Statute") and in accordance with the procedures laid down in the applicable legislation.

In particular, in accordance with the provisions of the National Collective Labour Agreement applicable to employees of Cotonificio Albini S.p.A. (National Collective Labour Agreement for the Textile, Clothing and Fashion Sector), the penalties that may be imposed are as follows:

- **Verbal warning** - may be critical or reproaching in nature and applies in case of minor non-compliance with the principles and rules of conduct established in this Model, the Protocols and the Procedures in force, correlating such behaviour to a slight non-compliance with contractual regulations or directives and instructions issued by management or superiors;
- **Written warning** - applies in cases of recidivism of infringements referred to in the paragraph above;
- **Fine or suspension from service** - applies in the event of non-compliance with the principles and rules of conduct established in this Model, with respect to **lacking or inadequate compliance with the conduct** with the provisions of the Model to an extent that it is considered to be of a certain severity, even if dependent on recidivism. Such conduct includes the breach of obligations regarding information to the Supervisory Body in relation to the commission of crimes, even whereby attempted, as well as any breach of the Model. The same penalty shall be applied upon repeated and unjustified failure to participate (physically or in any way required by the Company) in the training sessions that will be periodically provided by the Company in regards to the Decree and the Organisation, Management and Control Model adopted by the Company or in relation to issues connected thereto. The fine may not exceed the amount equivalent to two hours of the national pay component. Suspension from service cannot be set for more than three days and is applied for major failings.
- **Dismissal for disciplinary reasons** - applies upon the adoption of conscious behaviour contrary to the requirements of this Model that, even if only likely to constitute one of the offences sanctioned by the Decree, affects the element of trust that characterises the employment relationship or proves to be so serious that its continuation is no longer possible, not even provisionally. Violations of the aforementioned sanction include the following intentional behaviours:
  - Failure to comply with and/or proven wilful breach of procedures of external significance and/or the circumvention thereof;
  - Conduct unequivocally aimed at committing an offence included amongst those set out in the Decree, such as to undermine the relationship of trust with the employer;
  - Failure to comply with, proven breach of and/or circumvention of the control system, carried out with intent through the removal, destruction or alteration of the documentation required by the Model, and of the annexes and documents forming an integral part thereof, or by preventing the authorised parties,

including the Supervisory Body, from carrying out checks or accessing information and documentation;
- Failure to provide, or the provision of incomplete or untruthful documentation of the activities carried out in relation to the methods of documenting and retaining records and procedures, wilfully intended to prevent the transparency and verifiability thereof;
- The adoption, in the course of carrying out activities classified as high-risk under the Decree, of conduct that does not comply with the rules of the Code and is unequivocally aimed at committing one or more of the offences cited in the Decree.

6.4 Penalties against members of the Board of Directors

Failure to comply with the principles and rules of conduct set out in the Code of Ethics, the Model, the Protocols or any other annexes and documents forming an integral part thereof, as well as failure to comply with the measures put in place to protect Whistleblowers or the submission of reports made with intent or gross negligence, shall, where committed by **Directors**, be subject to **disciplinary measures and sanctions**.

The **Supervisory Body must promptly inform** the entire **Board of Directors and the Board of Statutory Auditors** of such conduct, and of any behaviour that does not comply with the provisions of the Code, so that they may take whatever action is deemed appropriate.

By way of non-exhaustive example, serious breaches that give rise to disciplinary sanctions include conduct on the part of a director who:

- Commits serious breaches and/or proven violations of the provisions of the Model, the Code of Ethics, the other annexes and documents forming an integral part thereof, as well as the measures for the protection of Whistleblowers, including **lacking or delayed communication to the Supervisory Body of information** required under the Model and relating to situations posing a risk, or otherwise makes such communications in an incomplete or inadequate manner;
- **Fails to exercise adequate supervision over the conduct of employees** (including managers) reporting directly to them, with a view to monitoring their actions in areas at risk of criminal offence and, in any event, whilst carrying out activities that form part of operational processes at risk of criminal offence;
- **Fails to promptly report any irregularities** or anomalies relating to the proper implementation of the procedures set out in the Model of which they are aware, such as to compromise the effectiveness of the Company's Model or give rise to a potential or actual risk to the Company of incurring the penalties in the Decree;
- **Fails to identify in a timely manner, including through negligence or incompetence, any conduct contrary** to the procedures set out in the Model and **fails to take steps to put an end to such conduct** and the resulting commission of offences;
- Engages in wilful conduct constituting the offences set out in the Decree;
- Gives rise to any situation of **conflict of interest** – even a potential one – in relation to the Company or the public administration;
- Distributes **gifts or favours to public officials** beyond what is set out in the Code of Ethics or grants other benefits of any kind (such as promises of employment);
- Provides **services to partners for which there is no adequate justification** within the context of the relationship established with those partners;
- Making **false statements** to national or EU public bodies with a view to obtaining public funds, grants or subsidised loans;
- Uses sums received from national or EU public bodies in the form of grants, **contributions or funding for purposes other than those for which they were intended**;
- Recognises **remuneration paid to external contractors that is not adequately justified** in relation to the nature of the work to be carried out and current local practices;
- Fails to strictly comply with all legal provisions designed to safeguard the integrity and effectiveness of the share capital or fails to act in accordance with the Company's internal procedures which are based on those provisions;
- Fails to ensure the proper functioning of the Company and its corporate bodies or fails to guarantee or facilitate any form of oversight of the Company's management as provided for by law, as well as the free and proper expression of the will of the Shareholder's Meeting;
- Fails to make all the notifications required by law and regulations to the supervisory authorities in a timely, accurate and good-faith manner, or obstructs the exercise of the supervisory functions undertaken by those authorities.

The **Board of Directors**, having been promptly informed, together with the Board of Statutory Auditors, by the Supervisory Body, **shall resolve to establish the offence and impose a sanction** on the director found to be responsible for non-compliance and/or the established breach of the provisions set out in Legislative Decree no. 231/2001, of the Organisational Model or the documents comprising it, by applying any appropriate measure permitted by law, including the following sanctions, determined according to the seriousness of the offence and the degree of culpability, as well as the consequences arising therefrom:

- A formal written warning;
- A financial penalty, taking into account the seriousness of the deed, equal to the amount of two to five times the emoluments calculated on a monthly basis;
- Total or partial revocation of any proxy.

Should the alleged offence concern the majority of the members of the Board of Directors and, consequently, that body be unable to pass a resolution on the matter, a **General Shareholders' Meeting** must be convened without delay at the request of at least one member of the Board of Directors or, failing that, by the Board of Statutory Auditors, so that the General Meeting may ascertain the facts, issue a formal charge and impose the resulting penalty.

In the most serious cases, the Board of Directors or the Board of Statutory Auditors, in the event of non-compliance and/or established breaches of the provisions set out in Legislative Decree no. 231/2001, of the Organisational Model or of the comprising documents, such as to constitute **just cause for dismissal** of a member of the management body, **proposes to the General Meeting the adoption of the measures falling within its remit** and carries out the further duties established by law.

6.5 Penalties against members of the Board of Statutory Auditors and Alternate Auditors

In the event of any non-compliance and/or proven breaches of the Organisational Model and the annexes and documents forming an integral part thereof, as ascertained by the Board of Statutory Auditors or the Audit Firm, the Supervisory Body must immediately notify the Board of Directors in writing, whereupon the Board of Directors shall take all appropriate legal measures.

In the event of non-compliance and/or breaches constituting just cause for revocation, the Board of Directors shall convene the General Meeting, having first forwarded the Supervisory Body's report to the Shareholders. The adoption of the measure resulting from the aforementioned breach is any case determined in the Board Meeting.

6.6 Penalties against "Third-party Addressees"

Any unlawful conduct attributable to Employees and/or Contractors or to other third parties linked to the Company by a contractual relationship other than that of an employee (such as consultants and suppliers), which constitutes a breach of the provisions of Legislative Decree no. 231/2001 or the Model and documents forming an integral part thereof may, depending on the provisions set out in the contracts, result in the imposition of penalties or, in the event of a serious breach, the termination of the contractual relationship. This is without prejudice to any claim for compensation should the conduct in question result in damage to the Company, even irrespective of the
termination of the contractual relationship.

6.7 Penalties for breaches of Whistleblower protection measures and for anyone who, with wilful misconduct or gross negligence, submits reports that prove to be unfounded.

The disciplinary system adopted pursuant to Article 6(2)(e) of Legislative Decree no. 231/2001 also sets penalties to be imposed on those who **breach the measures designed to protect the Whistleblower** as well as on those who make **unfounded reports with intent or gross negligence**.
In particular:

- With regard to **members of the Supervisory Board**, failure to comply with these measures shall constitute grounds for **dismissal**, whereas the **sanctions referred to in paragraphs 6.3, 6.4, 6.5, 6.6** may

also apply, where applicable, with the Board of Directors being responsible for the investigation and for deciding on the sanction to be imposed;

- With regard to **any guests attending meetings of the Supervisory Body** (Board of Statutory Auditors, Directors, senior managers, employees, consultants), any established failure to comply with and/or breach of these measures shall result in the **sanctions referred to in paragraphs 6.3, 6.4, 6.5 and 6.6 above**;
- With regard to **other parties**, any breach of these measures will result in the application of the **sanctions referred to in paragraphs 6.3, 6.4, 6.5 and 6.6 above.**

Any discriminatory measures taken against individuals who make reports may be reported to ANAC (National Anti-Corruption Authority) which – in such cases – will inform the National Labour Inspectorate so that it may take the appropriate action within its remit.

Any retaliatory or discriminatory dismissal of a Whistleblower is null and void. Any change in duties pursuant to Article 2103 of the Italian Civil Code, as well as any other retaliatory or discriminatory measure taken against the Whistleblower, shall also be null and void. The burden of proof is on the employer to ensure that – in the event of disputes related to the imposition of disciplinary penalties or to any claims, dismissals, transfers or subjection of the Whistleblower to another organisational measure having negative, direct or indirect, effects on working conditions following the submission of the report – such measures are based on reasons unrelated to the reporting itself.

ALBINI GROUP

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