



ORGANISATIONAL MODEL “231”

SUMMARY DOCUMENT



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1. Legislative Decree No. 231 of June 8, 2001, and the administrative liability of entities

Legislative Decree No. 231 of June 8, 2001 (hereinafter, Decree 231) introduced a form of liability for companies and other private entities, which arises when a person acting within the scope of the legal entity commits a crime in favour of or in the interest of the entity. This form of liability, which can have serious consequences both financially and for the entity's activities, is only applicable if one of the crimes listed in the decree is committed.

1.1. The recipients

The individuals who, by committing a crime in the interest or to the advantage of the entity, can trigger liability are called recipients and are divided into two categories:

- Individuals who hold top positions in the company, such as administrators and directors (hereinafter, top management);
- Individuals subject to the direction or supervision of one of the top management, employees of the company with an employment contract or any other agreement under which they are subject to direction and supervision by the top management (hereinafter, subordinates).

1.2. Predicate offenses

The offenses relevant to the administrative liability of entities are listed in Articles 24 and following of Decree 231. Considering the activities actually carried out and the risk analysis conducted, the Board of Directors of National Molding Italia S.r.l. (hereinafter, respectively, BofD and NMI), believes that only a part of them may be concretely relevant, specifically:

- offenses against the public administration;
- computer crimes and unlawful data processing;
- corporate crimes;
- manslaughter and serious or very serious injuries, committed in violation of health and safety regulations at work;
- crimes of receiving stolen goods, money laundering, and use of money, goods, or benefits of illicit origin, as well as self-laundering;
- crime of inducing someone not to make statements or to make false statements to the Judicial Authority;
- environmental crimes;
- employment of third-country nationals whose stay is irregular;
- tax crimes.

The list of predicate offenses relevant to NMI will be updated in the event of new regulations or changes in business activities that create new risk areas.

1.3. Sanctions

Decree 231 provides for the following types of sanctions applicable to entities subject to the regulation:

- (a) monetary sanctions, impacting the company's assets;
- (b) disqualification sanctions, affecting the activities the entity can perform;
- (c) confiscation of the price and profit of the crime, aimed at preventing the company from gaining economic advantage from the commission of the crime;
- (d) publication of the sentence, which damages the company's reputation.

More specifically:

- (a) The administrative monetary sanction ranges from €25,800 to €1,549,000 and constitutes the ordinary sanction that must be applied, for which the entity is liable with its assets.
- (b) Disqualification sanctions are applied only if a crime is committed for which the decree provides, in addition to the monetary sanction, one or more of the following sanctions:
 - prohibition from carrying out business activities;
 - suspension or revocation of authorizations, licenses, or concessions functional to the commission of the offense;
 - prohibition from contracting with the Public Administration, except to obtain the performance of a public service.
 - exclusion from benefits, financing, contributions, and subsidies and/or the revocation of those already granted;
 - prohibition from advertising goods or services.

In certain particularly serious cases, disqualification sanctions may be applied as a precautionary measure during the preliminary investigations.

- (c) With the conviction, the confiscation of the economic benefit derived from the crime is always ordered, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith.
- (d) The publication of the conviction in one or more newspapers, in extract or in full, may be ordered by the Judge, along with posting in the municipality where the entity has its main office, when a disqualification sanction is applied.

2. Measures introduced by NMI to prevent administrative liability: the organization and management model

The administrative liability of entities does not automatically arise merely because a top management or subordinate has committed a predicate offense to the advantage or in the interest of the entity. It is indeed possible to avoid the sanctions provided by Decree 231 if the company has established and effectively implemented a coherent set of organizational measures aimed at preventing the commission of crimes.

In the case of crimes committed by top management, exemption from liability under Decree 231 is provided if the company demonstrates that:

- (a) the governing body has adopted and effectively implemented, before the commission of the act, an organization and management model (hereinafter, OMM) suitable for preventing crimes of the type that occurred;
- (b) the task of supervising the functioning and compliance with the Model has been entrusted to a specific body called the supervisory body (hereinafter, SB), professionally qualified and endowed with autonomous powers of initiative, control, and expenditure;
- (c) the individuals who committed the crime acted by fraudulently circumventing the OMM;
- (d) there was no omitted or insufficient supervision by the SB.

Regarding crimes committed by subordinates, Decree 231 provides for exemption from liability if the entity has adopted and effectively implemented, before the commission of the crime, an OMM suitable for preventing crimes of the type that occurred.

Therefore, the exemption from liability of the entity is not determined by the mere adoption of the OMM, but by its effective implementation, achieved through the

implementation of all necessary protocols and controls to limit the risk of committing the crimes that NMI intends to prevent.

2.1. The organization of NMI and its representation in court

As of the date of adoption of the OMM, NMI employed 63 employees, 32 of whom were workers, 27 clerks, 3 middle managers, and 1 executive, all working at the Trofarello plant. The administration is entrusted to a board of directors composed of three members, two of whom are delegated to exercise the powers as per the resolution of the BoD dated April 28, 2021. The auditing of accounts is entrusted to a sole auditor. If NMI were to be investigated for a 231 offense, to avoid any potential conflict of interest with the administrative body and to comply with the provisions of Article 39 of Decree 231, the appointment of the company's trusted lawyer will be made by the Auditor. In the event that the Auditor is under investigation for the predicate offense from which NMI's administrative liability arises, the BoD will submit a request to the competent Court for the appointment of a special curator, who will represent the company and appoint its lawyer.

2.2. The structure of the OMM

They form an integral and substantial part of NMI's MOG:

- the code of ethics, containing the principles that should inspire the conduct of the recipients of the Model;
- this general part.
- the special parts, containing, for each category of predicate offenses relevant to NMI, a description of the offenses that can be a source of administrative liability, the indication of the areas at risk of crime, and the description of the main rules of conduct that all recipients must follow to prevent the commission of such offenses;
- the powers of attorney, delegations, and other corporate documents that assign and describe the duties, powers, and responsibilities of the people operating in NMI;
- the system of procedures, protocols, and internal controls aimed at ensuring transparency and knowledge of the decision-making and financial processes related to all conduct carried out within the risk areas (hereinafter, the procedures);
- the SB regulation;
- the regulation of reports provided for by Legislative Decree No. 24 of March 19, 2023 (hereinafter, the whistleblowing decree);
- the disciplinary system, which provides for the sanctions for violations of the code of ethics and the MOG and the procedure for determining and punishing them.

The MOG, therefore, consists of all the documents just listed, which together form NMI's 231 system.

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Based on the guidelines contained in Confindustria's Guidelines and the case law on the subject, the construction of the MOG was divided into the following phases:

- (i) Analysis of the operational context of NMI, its structure, and the activities within the competence of the various units and functions, as well as the processes in which the activities are carried out;
- (ii) Identification of the areas of activity and processes in which a predicate offense may be committed (hereinafter, risk areas);

- (iii) Definition of the possible ways in which predicate offenses can be committed within the individual risk areas;
- (iv) Identification of control methods functional to the prevention of predicate offenses.

The fundamental principles that inspire all the provisions of the MOG can be summarized as follows:

- **Transparency**: every operation must be justified, verifiable, and consistent with the intended purpose;
- **Traceability**: every operation and the related verification and control activities must be documented and adequately archived;
- **Adequacy of internal regulations**: the set of rules of the entity must be consistent with the operations carried out and the level of organizational complexity and must ensure the necessary controls to prevent the commission of the offenses provided for by the Decree.
- **Separation of functions and powers**: no corporate entity can independently manage an entire process and be endowed with unlimited powers. The authorization and signing powers must be defined in a manner consistent with the assigned organizational responsibilities.

3. The diffusion of the MOG

It is essential that all individuals operating within NMI know and understand the content of the documents that, together, form the 231 system of NMI. To ensure that personnel are informed about the contents of decree 231 and the effective diffusion of the OMM, a specific section of the corporate network is established (where all documents that make up the Model, as well as the current text of decree 231, are published in their most recent version) dedicated to the administrative responsibility of entities and updated, from time to time, as indicated by the SB. The code of ethics, the general part of the OMM, and the current text of decree 231 are also published on NMI's institutional website. All employees must commit to complying with the provisions of NMI's 231 system and sign a form acknowledging that the OMM is available on the corporate network and committing to observe its content.

3.1 Training of Recipients

NMI is committed to training recipients from the time of hiring or the start of the contractual relationship. In particular, the following are provided:

- An initial communication. In this regard, the adoption of this Model is communicated to all current NMI resources, and similar information will be given to new hires;
- Continuous mandatory training activities, developed through periodic update seminars and IT tools and procedures (update emails, content uploaded to the corporate network, self-assessment tools).

3.2 Information for Third Parties

NMI ensures the dissemination of the MOG to third parties, which include:

- All individuals and entities with whom they have continuous or occasional collaborative relationships without a subordinate relationship, consultancy, agency, representation, or professional services, not of a subordinate nature;
- Suppliers and partners, including in the forms of temporary associations or joint ventures.

Contracts concluded with third parties include specific clauses aimed at informing third parties of the adoption of the MOG by NMI. The counterparts are required to review the code of ethics and the general part of the MOG, declare that they are aware of the consequences of non-compliance, and commit not to commit any offenses in the context of their relationship with NMI.

4. Supervisory Body

4.1 Functions of the Supervisory Body

Decree 231 provides for the establishment of a specific body, autonomous and independent from NMI's administrative bodies, tasked with overseeing the effective application of the OMM and its suitability to prevent the commission of predicate offenses. The SB of NMI is also the recipient of reports provided for by the whistleblowing decree.

4.2 Information Flows to the Supervisory Body

4.2.1 Mandatory Information

NMI's top management must promptly and mandatorily transmit to the SB all information regarding:

- Measures from judicial police bodies or any other authority concerning the conduct of criminal or administrative investigations involving NMI or any recipient;
- Reports prepared by any NMI representative regarding organizational issues;
- Disciplinary proceedings initiated by NMI against its employees, any sanctions imposed, and the decisions to close such proceedings;
- Extraordinary corporate operations;
- Organizational changes;
- Updates to the system of delegations and powers;
- Copies of the minutes of the Board of Directors and the auditor's meetings;
- All information related to the possible commission of a predicate offense or, in any case, to practices not in line with NMI's code of ethics and MOG.

4.2.2 Optional Information

Recipients other than top management may transmit to the ODV:

- The factual circumstances known to them from which the possible commission of a predicate offense or the violation of one or more provisions of NMI's code of ethics and model 231 can be reasonably hypothesized;
- The factual circumstances known to them from which the possible commission of any civil or criminal offense involving NMI or one of its employees can be reasonably hypothesized.

4.2.3 Management of Information and Reports

To ensure the confidentiality of the information flows communicated to the SB and facilitate their flow, NMI uses the following communication channels:

- Email: g.chieppa@studiolegalechieppa.it;
- Postal address: Avv. Gian Piero Chieppa, Corso Re Umberto 2, 10121 Turin.

The SB evaluates the reports, if necessary, by listening to the author of the report and/or the person responsible for the alleged violation, providing written reasons for any decision to archive the report. Reporters are protected from any form of retaliation or penalty, and their confidentiality will be ensured, subject to legal obligations and the need to protect NMI or those accused in bad faith. It is prohibited to carry out acts of retaliation or discrimination, direct or indirect, against the reporter for reasons directly or indirectly related to the report.