

OVS S.P.A.

Organisational Model - General Part

pursuant to LEGISLATIVE DECREE 231 of 8 June 2001 as amended.

Document approved by the Board of Directors on 20 September 2023

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1. LEGISLATIVE DECREE 231/2001

1.1. Summary of the legislation

Legislative Decree 231 of 8 June 2001 (the “Decree”) introduced the “administrative liability of entities” into our legal system (with companies such as OVS S.p.A. included in this concept) in relation to certain offences (*predicate offences*), committed **in the interest or to the benefit** of a company by certain persons with a functional connection to that company. This “corporate” administrative liability is in addition to the criminal liability of the natural person who materially commits the offence and, although ostensibly autonomous and direct, derives from the conduct of the person who materially committed the offence.

In particular, this person may be:

- a “senior manager”, meaning anyone who holds the position of director, legal representative or executive of the company or of one of its organisational units;
- a “subordinate”, meaning all those who, on the basis of the company organisation – either inside the company (employees of all kinds and grades) or outside the company (advisors, contractors, etc.) – report to the senior managers and are managed and/or supervised by them.

The legislature’s intention was to involve corporate assets and, ultimately, the financial interests of shareholders and stakeholders in the punishment of certain criminal offences committed in the interest or for the benefit of the company, in such a way as to prompt the interested parties to exercise greater self-control over the regularity and legality of corporate operations, particularly from the perspective of prevention. This is based on the assumption that such offences are facilitated by a lack of preventative corporate organisational measures, which has resulted, according to the Court of Cassation, in veritable “**organisational negligence**”.

According to the principle of legality, only the offences expressly referred to in Legislative Decree 231/2001 may give rise to corporate liability. Since the entry into force of the Decree, the legislature has implemented several measures to extend the scope of application of this legislation, which has become one of the most effective tools for exercising corporate control over organised activities.

For the aforementioned purposes, the Decree establishes a system of administrative sanctions, which is summarised in the following table:

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SANCTION	DESCRIPTION
Pecuniary fine	Always applied when 231 liability is ascertained; the company is required to pay using its own assets. Applied on the basis of a quota system, depending on the type and circumstances of the infringement, and for amounts that differ according to the company's capital capacity, ranging from €25,800 to €1,550,000.
Disqualification	Applied in addition to the pecuniary fine in the cases stipulated. Includes the following types: <ul style="list-style-type: none"> - Temporary or permanent disqualification from engaging in business; - Suspension or revocation of authorisations, licences or permits instrumental in the commission of the offence; - Exclusion from benefits, loans, contributions and subsidies, and/or revocation of those granted; - A ban on contracting with public authorities (except to obtain the provision of a public service); - A ban on the advertising of goods or services.
Confiscation	Affects the benefit obtained by the business as a result of the commission of the offence; applied, for the monetary equivalent, to any available funds of the company.
Publication of the court's decision	May be ordered if a disqualification sanction is imposed, with the aim of publicising the company's infringement.

The types of sanctions, the jurisdiction of the criminal judge, the procedural rules and numerous general principles of 231 liability clearly derive from criminal law: accordingly, the entire legislative **system** is defined as “**para-criminal**”.

Please see **Annex 1 to the Model**, which contains a detailed list of the offences that give rise to the application of the provisions of Legislative Decree 231/2001 as of the time of adoption and updating of the current Model.

1.2. The Organisational Model as a means of preventing and exempting the company from liability

With the clear intention of promoting prevention and self-control on the part of companies, the Decree¹ exempts from liability any entity that demonstrates that it has adopted and

¹ Articles 6 and 7 of Legislative Decree 231/2001.

effectively implemented, before the offence is committed, appropriate organisational, management and control models for the prevention of the criminal offences in question². This exemption operates differently according to whether the offences are committed by persons in senior management positions or persons managed by them.

In the case of offences committed by **persons in “senior management” positions**, there are essentially three conditions for excluding liability:

- that the internal system of organisational rules (procedures and protocols) constituting the Model has been formally adopted;
- that the Model is theoretically suitable for *“preventing offences of the kind that have occurred”*;
- that this Model had effectively been implemented before the offence was committed.

Additional legal conditions may be regarded as specific eligibility and effective implementation requirements or represent confirmation thereof. The following are required:

- that the task of overseeing the functioning of, and compliance with, the models and of updating them has been assigned to a body within the entity with autonomous powers of initiative and control;
- that there has been no lack or insufficiency of oversight on the part of the Supervisory Body;
- that an appropriate disciplinary system has been established to sanction infringements of the Model;
- that, in the case of senior managers, the offence was committed by fraudulently evading the organisational and management models³.

In the case of offences **committed by subordinate persons**, the entity is held liable if the company has failed to comply with management and supervisory obligations; such failure is excluded by the law (Article 7, paragraph 2, of Legislative Decree 231/2001) if the entity has adopted and effectively implemented an organisational model capable of preventing offences of the kind that occurred.

Consequently, in the case of both offences committed by senior management and those

² This is an exemption from liability as it excludes the possibility of guilt (i.e. the subjective element required for the offence to exist) on the part of the entity in relation to the commission of the offence.

³ As clarified by case law (see Court of Cassation, no. 4677/2014), the fraud referred to in Decree 231 does not necessarily require actual artifice or deception. The law rather presupposes that the infringement of the Model resulted from the circumvention of security measures capable of enforcing its effectiveness.

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committed by subordinates, the adoption and effective implementation by the entity of the organisational model is an essential condition – albeit not always sufficient⁴ – of the avoidance of direct corporate liability.

1.3. Codes of conduct of trade associations

The law allows trade associations to identify general guidelines, referred to as codes of conduct, for the construction of organisational models. Although the law does not expressly give these guidelines a binding or presumptive regulatory value, it is quite clear that the correct and timely application of these guidelines serves as a point of reference for court decisions on the question of the theoretical appropriateness of the Model, also taking into account that provision is made for the prior examination of the effectiveness of the guidelines by the Ministry of Justice.

In this case, consideration was given to the guidelines developed and published by Confindustria, which became effective following the completion of the procedure described by the regulation implementing the legislative decree in question, i.e. Ministerial Decree 201 of 26 June 2003⁵.

The most significant components of the control system identified by Confindustria in order to reasonably prevent the commission of the offences provided for by the Decree are:

A) With regard to fraud offences:

- *A code of ethics referring to the offences in question;*
- *An organisational system that is sufficiently up to date, formalised and clear;*
- *Manual and/or IT procedures (information systems);*
- *Powers of authorisation and signature (system of delegations and powers of attorney) consistent with organisational and management responsibilities;*
- *Staff information and training;*
- *Integrated control and management systems.*

B) With regard to negligence offences (concerning environment, health and safety (EHS)), without prejudice to the provisions for types of fraud offences:

⁴ The final decision is made by the judicial authorities.

⁵ These guidelines are periodically updated (most recently in 2014). When the Board of Directors of OVS S.p.A. approved the most recent update to the Model in April 2021, a further update to the Confindustria guidelines was still being prepared. The drafts of these guidelines were taken into account in the absence of approval by the Ministry, as they are not yet final.

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- *A code of ethics as a statement of the company's environment, health and safety policy;*
- *An organisational structure with duties and responsibilities formally defined in accordance with the company's organisational and functional structure;*
- *Staff education and training;*
- *Communication and involvement (particularly of employees and workers' safety representatives);*
- *Regulated operational management;*
- *A health and safety monitoring system.*

*The above components must be organically incorporated within a system architecture that complies with a series of **principles of control**, including:*

- *The verifiability, documentability, consistency and congruence of each action, operation and transaction;*
- *The application of the principle of segregation of functions (according to which no one person can autonomously manage an entire process);*
- *Control documentation;*

In addition, to ensure the effective implementation of the Model, it is necessary to:

- *establish an adequate system of sanctions for infringements of the rules of the Code of Ethics and the procedures laid down in the Model;*
- *identify a Supervisory Body that meets the following requirements:*
 - a) *Autonomy and independence;*
 - b) *Professionalism;*
 - c) *Continuity of action;**providing for adequate obligations of reporting to the Supervisory Body (information flows).*

2. THE ORGANISATIONAL MODEL

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2.1. The Company

OVS S.p.A. is the leading player in the women's, men's and children's clothing market in Italy. It has over 1,750 stores in Italy and abroad trading under the OVS, OVS Kids, Stefanel, Upim, BluKids, CROFF (home decoration) and Stefanel brands. Listed on Borsa Italiana since March 2015, the Group's business model is typical of vertically integrated retailers, providing for the management of the entire value chain, from the design and sourcing of garments to their sale.

In the corporate context, the regulations and procedures adopted by OVS S.p.A. have been structured in accordance with the current regulations, the Corporate Governance Code for Listed Companies and national and international best practices.

Account has been taken of the specific activity performed by the Company and the decentralised functions performed or received in the preparation of the Model, particularly with regard to the identification of areas of risk and the preparation of appropriate protocols, which are set out in the Special Part of the Model.

With regard to the governance structure, OVS S.p.A. has maintained the traditional management system, with a Board of Directors and Board of Statutory Auditors.

The Company's organisational chart has been provided in the filed annual financial statements.

With regard to the organisational and functional structure, please see the constantly updated corporate organisational chart published on the Company's corporate website at www.ovscorporate.it.

2.2. Scope of the Model

Before its stock market flotation, OVSS.P.A. was already aware of the need to ensure fairness, transparency and compliance with the law in conducting its business and activities and believed it appropriate to adopt and implement the Model, with the dual aim of adapting the policy for the purposes of prevention recommended by the legislature and protecting the interests of shareholders, the Management Body and, ultimately, the entire Company from the negative effects of an unexpected application of sanctions.

OVS S.p.A. also sees the Model as an important opportunity to verify, review and integrate corporate decision-making and implementational processes and their control systems, further strengthening the Company's longstanding reputation of fairness and transparency.

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OVS S.p.A.'s main aim in adopting the Model was to establish a structured system of procedures and controls that will reduce and potentially eliminate the risk that predicate offences regarded as material for the Company will be committed in high-risk business processes.

The commission of predicate offences and unlawful conduct in general is, in any case, contrary to the will of the Company, as stated in the Code of Ethics and confirmed herein, and always causes harm to OVSS.p.A., even if such activity could apparently and erroneously be regarded as in the interest or to the advantage of the same.

The Model, therefore, prepares tools for monitoring risk processes, effective prevention of unlawful conduct, timely corporate intervention against actions committed in breach of company rules and the adoption of the necessary disciplinary measures of sanction and repression.

In addition, the preventative control system in this Model is designed to:

- prevent non-fraudulent circumvention of procedures by senior management;
- prevent any persons operating within the Company from justifying their conduct on the grounds of ignorance of corporate directives;
- prevent, under normal circumstances, offences being caused by human error (or negligence or incompetence) in the assessment of these directives.

2.3. Persons concerned by the Model

This Model is intended for the following persons, to whom the provisions contained herein apply:

- persons in senior positions, such as the directors, legal representatives and executives of the Company;
- persons managed and supervised by senior managers, who work within the corporate organisation, i.e. all employees with any type of contractual relationship;
- persons managed and supervised by senior managers, who work outside the corporate organisation, such as advisors, suppliers of goods for internal use or sale, the occupational health physician (safety in the workplace), providers of environmental management services, IT service providers, persons responsible for managing matters of any kind vis-à-vis public authorities and other persons identified from time to time in the context of the relevant contractual relationships or assignments.

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The Model also applies to activities carried out by persons concerned abroad, since, under certain conditions, such activities may constitute a source of administrative liability pursuant to the Decree.

The Company requires all persons concerned to comply with the rules and procedures established in this Model, expressly notifying them that any infringement thereof may result in the application of the sanction system established in the Model and the disciplinary rules set out therein.

2.4. Methodology used to construct the Model

The Management Body, with the assistance and advice of the corporate structures and external advisors, has analysed and drafted the Model in accordance with the Confindustria guidelines. This work was divided into the following stages:

- the identification of areas of corporate risk; this step involved the identification of operating processes in the various areas of corporate activity, through the examination of important corporate documentation and targeted interviews with key people within the corporate structure, as well as the verification of these operating processes in the light of the offences provided for in the reference legislation (stage of **mapping of company areas at risk and material offences**);
- verification of existing operating and control procedures at company level and **identification of improvement actions**, identifying necessary/appropriate changes and additions (stage of **assessment/construction/adaptation of the preventative control system**);
- **the drafting of the Model**, providing for the progressive, periodic integration and updating of individual operating company procedures and protocols;
- **periodic review and updating of the Model** according to changes in internal and external conditions relevant for the present purposes.

2.5. Adoption of the Model

OVS S.p.A. has drafted and adopted its own Organisational Model, as per the BoD resolution of 27 October 2014.

In March 2015, OVS S.p.A. was listed on the Milan Stock Exchange and, also in view of the new edition of the Confindustria guidelines of 2014, the changes in its organisation and in

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the relevant legislation that took place in subsequent years, updated its Model to the current version.

2.6. Principles of preventative control

This Model is based on the following general principles of control:

- every operation, transaction and action is verifiable, documented, consistent and appropriate;
- no one person may manage an entire process fully autonomously and without controls;
- the control system documents the checks performed.

The Company has its own system of preventative control of unlawful conduct, divided into types of offence, described in the special part of the Model and set out according to similar types of offences and whether the offences have been committed with intent or without intent (mainly relating to occupational safety and environmental protection); in the latter case (occupational safety and, in part, environmental offences), the control is performed by setting up systems to manage the relevant legal obligations.

2.7. Structure

This Model comprises:

- the Code of Ethics;
- this General Part;
- the Special Part, divided both, into homogenous categories of offences and processes, to which the specific company procedures and operating protocols are linked.

2.8. Verification and updating of the Model

Since the Model is a tool designed to meet the Company's prevention and control needs in a dynamic and changing context, it is necessary to verify periodically that it meets these needs, and therefore to make any additions and changes that may be necessary from time to time.

This assumes a re-assessment of risk, and the intensity of this risk, whenever conditions arise that may affect the relevance of the Model.

In particular, verification is appropriate:

- whenever significant organisational changes take place at the Company, particularly in the areas already identified as high-risk;

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- when significant infringements of corporate procedures take place or conduct is detected that is high-risk in concrete terms;
- when the reference legislation is amended or supplemented.

The Supervisory Body verifies that the Model's preventative characteristics are maintained over time. In doing so, it may make use of the collaboration and assistance of external advisors, subsequently proposing to the Board of Directors, which is competent to approve additions and amendments to the Model, any additions or amendments that are necessary or advisable from time to time.

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3. THE INTERNAL SUPERVISORY BODY

3.1. Identification of the Supervisory Body

To ensure enjoyment of the benefits of the adoption and implementation of the Model, Legislative Decree 231/2001 stipulates that a duly constituted body should be entrusted with the task of supervising the operation of and compliance with the Model and ensuring that it is updated, granting that body autonomous powers of initiative and control.

The Supervisory Body is a corporate body appointed by the Management Body with the support of the Control, Risks and Sustainability Committee.

The supervisory functions referred to in Article 6, paragraph 1, letter b) of Legislative Decree 231/2001 may be assigned to the Board of Statutory Auditors⁶ or to a duly constituted body consisting of a single member or multiple members.

If the body is not the same as the board of statutory auditors, the management body decides whether to appoint within the body at least one non-executive director and/or a member of the board of statutory auditors and/or the holder of legal or control functions at the company, in order to ensure coordination between the various persons involved in the internal control and risk management system

3.1.1. Requirements of the Supervisory Body

Although the Decree does not set out specific requirements, the Company, to ensure that the Supervisory Body has autonomous powers of initiation and control, in line with the recommendations of the Confindustria guidelines, considers it appropriate to require the body to fulfil the following requirements:

⁶ Article 6, paragraph 4a, of Legislative Decree 231/01, following the amendments made by Law 183/11 and Decree Law 212/11 provides that *"In limited companies, the board of statutory auditors, the supervisory body and the management control committee may perform the functions of the supervisory body"*.

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REQUIREMENT	WHAT THIS ENTAILS
AUTONOMY AND INDEPENDENCE	<p>The Supervisory Body is not assigned operational duties. Each member is required:</p> <ul style="list-style-type: none"> - to fulfil the integrity requirements established in Article 2, paragraph 1, letters a) and b) and paragraph 2 of Ministerial Decree 162/2000; - not to be ineligible under Article 2382 of the Italian Civil Code; not to be in a conflict of interest and/or have family relationships with other members of corporate bodies and with senior management, pursuant to Article 2399 of the Italian Civil Code; - not to have been investigated or convicted in relation to the offences covered by the 231/2001 legislation.
PROFESSIONALISM	<p>The Supervisory Body must, as a whole, have sufficient knowledge of inspections and advisory activities to effectively carry out the verifications and controls assigned to it.</p>
CONTINUITY OF ACTION	<p>The Supervisory Body, as a whole, has a mandate (usually lasting several years) to ensure continuity of action. If it is made up of external persons only, it usually has an internal secretariat and tools (such as a dedicated e-mail address) in place to facilitate information flows. The Supervisory Body meets periodically and documents its work.</p>

3.1.2. Term of office and remuneration

The Supervisory Body remains in office for a period of three years from appointment until the next resolution/decision of the Management Body to replace its members.

External members of the Supervisory Body are appointed on a paid basis, according to a fee determined at the time of the appointment and unchanged for the duration of the term of office. In the case of internal members qualifying as employees, an additional fee for the extra commitment may be identified at the time of appointment, with a requirement that this remains unchanged for the duration of the term of office.

3.1.3. Appointment, termination or revocation of the Supervisory Body

Appointment normally takes place when the Model is first adopted and after each natural expiry of the mandate or in other cases or when it becomes necessary to add or replace members during the mandate.

The following rules must be observed for termination and revocation, also in order to ensure autonomy and independence, depending on the type of Supervisory Body actually selected

by the Company.

a. Termination/revocation of an ad hoc Supervisory Body

The Board of Directors, by reasoned resolution, revokes the mandate of the Supervisory Body or of individual members thereof in the event that the requirements of autonomy and independence, integrity, professionalism and continuity of action necessary for the performance of this function are no longer met or for reasons of incompatibility.

With the favourable opinion of the Board of Statutory Auditors, where present, the Management Body may also revoke, before its natural expiry, by means of a reasoned resolution, the mandate granted to the members of the Supervisory Body if all or part of the performance of the tasks assigned is omitted or the performance thereof is manifestly negligent or incompetent.

The dismissal of any employee who is a member of the Supervisory Body, for the entire duration of the assignment and for six months after its termination, as well as due to resignation, may only take place for just cause or justified reason under the law, and in the latter two cases, will be duly substantiated with a favourable opinion of legitimacy of the Board of Statutory Auditors, where present. Internal termination of employment with the Company for any reason results in the simultaneous forfeiture of the position of member of the Supervisory Body, unless otherwise decided by the Management Body.

b. Termination/revocation of the Board of Statutory Auditors acting as the Supervisory Body

The termination of the Board of Statutory Auditors due to expiry of the term and the revocation of the mandate of the Board of Statutory Auditors, pursuant to Article 2400, paragraph 2, of the Italian Civil Code, results in the simultaneous forfeiture of the Supervisory Body's mandate.

If the mandate of one Statutory Auditor or several Statutory Auditors is revoked pursuant to Article 2400, paragraph 2, of the Italian Civil Code, the Management Body will supplement the Board of Statutory Auditors pursuant to the Italian Civil Code and this supplementation will also have effect on its functions as the Supervisory Body. The Management Body may revoke, before its natural expiry, by means of a reasoned resolution, the role of Supervisory Body assigned to the Board of Statutory Auditors if all or part of the performance of the tasks assigned is omitted or the performance thereof is manifestly negligent or incompetent. If the

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revocation resolution is not unanimous, the dissenting director may refer the matter to the Shareholders' Meeting at the first opportunity.

c. Assignment to a corporate function meeting the necessary requirements

Depending on whether this function is performed by employees of the Company or external persons, the provisions contained in paragraph a. will apply respectively for the respective position.

3.2. Tasks and powers of the Supervisory Body

The Supervisory Body is assigned the following autonomous tasks and the relevant powers of initiative and control:

- a) to monitor the effectiveness of the Model, which consists in verifying the consistency between conduct in practice and the established Model;
- b) to monitor the continuing fulfilment over time of adequacy requirements for prevention purposes, dynamically updating the Model in the event that, due to the analyses performed, it is necessary to make corrections and adjustments, by formulating a proposal to update the Management Body, as a result of:
 - i. significant infringements of the provisions of the Model;
 - ii. material changes in the internal structure of the company and/or its business activities or the methods of their implementation;
 - iii. regulatory changes that alter the risk for the company;
- c) to receive reports of material unlawful conduct pursuant to the Decree or of infringements of the Model and handling them in accordance with the provisions of law and the relevant whistleblowing procedure;
- d) where any infringements of the Model that may result in liability for the entity are detected, to report such infringements to the relevant company functions to that appropriate steps, including disciplinary measures, can be taken.

The Supervisory Body is granted autonomous powers of initiative and control in order to perform these tasks.

The Supervisory Body has free access to all the Company's functions in order to obtain any information necessary for the performance of its tasks, without prejudice to its duty to observe the prohibition on disclosing and/or disseminating the information and/or data acquired, unless disclosure and/or dissemination is required by the police, the judicial

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authorities, security bodies or other public bodies for the purposes of national defence or security or for the prevention, detection or repression of offences, or, furthermore, for the purposes of anti-money laundering legislation. This provision applies without prejudice in all cases to the limit on the circulation and dissemination of sensitive data pursuant to privacy legislation.

The activities of the Supervisory Body, if in accordance with its mandate, cannot be syndicated by any other company body or structure.

In order to strengthen the autonomy and independence of the Supervisory Body, the Management Body, in the context of the procedures for preparing the corporate budget, periodically resolves on an adequate amount of financial resources for the Supervisory Body, at its request, which it may use as required to carry out its work.

3.3. Information flows

In accordance with the provisions of the second paragraph of Article 6 of Legislative Decree 231/2001⁷, information flows are established in respect of the Supervisory Body in order to facilitate the monitoring of the Model's effectiveness and to ascertain reasons that may make, or have made, infringements of the Model possible. This obligation to provide information is incumbent on the corporate functions with respect to activities potentially at risk of offence, and relates to:

- a) periodic reports on the results of control activities;
- b) any anomalies or atypical characteristics found in the information provided.

In particular, the information may relate to:

- requests for legal assistance from managers and/or employees against whom the judiciary are bringing proceedings for the offences referred to in Legislative Decree 231/2001;
- orders and/or information from the judicial police or any other authority that reveal that investigations are being conducted, including against unknown persons, for the offences provided for in the aforementioned legislation;

⁷ Article 6: *“In relation to the extension of the delegated powers and to the risk of commission of offences, the models referred to in letter a) of paragraph 1 must meet the following requirements: (... omissis ...) d) provide for reporting obligations vis-à-vis the body responsible for overseeing the functioning and compliance of the models”.*

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- reports prepared by the heads of corporate functions in the context of their control activities and from which facts, actions, events or omissions that are critical in terms of compliance with the aforementioned legislative decree may emerge;
- information on the actual implementation of the organisational model at all company levels, highlighting any disciplinary proceedings brought and any sanctions imposed or measures for filing such procedures together with the respective reasons;
- information on inspections by public bodies;
- any anomalies found during first- and second-level controls and from the audit activities carried out within the Company by internal or external structures, in the context of the management systems in place;
- information relating to procedures for granting or authorising or in any way connected with the exercise of business activities, including any requests for financing or benefits, initiated with respect to public bodies;
- periodic reporting on safety at work;
- information on accidents at work or accidents that are not negligible in terms of consequences or methods, or relating to applications for recognition of occupational illnesses;
- other information or documents provided for in the Model's operating procedures (Special Part).

3.4. Reports of offences or infringements of the Model (whistleblowing)

Following the entry into force of the Legislative Decree. 10 March 2023, n. 24, which implemented Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019, the Company has conformed the pre-existing procedure⁸, adapting it to the new regulatory provisions with the provision of internal reporting channels (in written form and also through IT systems) and the identification of the Supervisory Body as the recipient

⁸ Following the entry into force, on 29 December 2017, of Law no. 179, containing "Provisions for the protection of the authors of reports of crimes or irregularities of which they have become aware in the context of a public or private employment relationship", the Company regulated, through Procedure, the reporting of crimes and irregularities, protecting the authors of reports. Therefore, pursuant to art. 6 of Legislative Decree no. 231/01, paragraph 2bis, the Company established dedicated reporting channels, guaranteed the confidentiality of the identity of the Reporter and prohibited any act of retaliation or discrimination, direct or indirect, against the Reporter for reasons connected, directly or indirectly, to the report.

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of the same. The Company, in particular, has better regulated the content of reports, the operation of their management by the designated recipients and placed attention on the protection of the reporter.

Legislative decree no. 24 of 2023 regulates, in even more detail, the protection of subjects who report violations of national or European Union regulatory provisions that harm the public interest or the integrity of the public administration or private entity⁹, of which they became aware in a public or private working context.

The Model, in compliance with the new regulations, establishes the prohibition of any discriminatory act against Whistleblowers. The Company refers to its disciplinary system for the applicability of sanctions against those who violate the measures to protect the Whistleblower, as well as those who make unfounded reports, maliciously or with gross negligence.

Please refer, therefore, to the text of the updated procedure and the related operating instruction for application details

⁹ Below is the list of violations that can be reported:

- 1) administrative, accounting, civil or criminal offenses which do not fall under numbers 3), 4), 5) and 6);
- 2) significant illicit conduct pursuant to Legislative Decree 8 June 2001, n. 231, or violations of the organization and management models provided therein, which do not fall under numbers 3), 4), 5) and 6);
- 3) offenses that fall within the scope of application of the European Union or national acts indicated in the annex to decree 24/2023 or of the national acts that constitute the implementation of the European Union acts indicated in the annex to Directive (EU) 2019 /1937, although not indicated in the annex to decree 24/2023, relating to the following sectors: public procurement; financial services, products and markets and prevention of money laundering and terrorist financing; product safety and compliance; transport safety; environmental Protection; radiation protection and nuclear safety; food and feed safety and animal health and welfare; public health; consumer protection; protection of privacy and protection of personal data and security of networks and information systems;
- 4) acts or omissions detrimental to the financial interests of the Union referred to in Article 325 of the Treaty on the Functioning of the European Union specified in the relevant secondary legislation of the European Union;
- 5) acts or omissions relating to the internal market, as referred to in Article 26(2) of the Treaty on the Functioning of the European Union, including infringements of the European Union rules on competition and State aid, as well as violations relating to the internal market related to acts which infringe corporate tax rules or mechanisms the purpose of which is to obtain a tax advantage which defeats the object or purpose of the applicable corporate tax law;
- 6) acts or behaviours that nullify the object or purpose of the provisions referred to in Union acts in the sectors indicated in numbers 3), 4) and 5).

3.5. Reporting by the Supervisory Body

The Supervisory Body reports periodically and on an *ad hoc* basis on the implementation of the Model, and proposes amendments and additions which are deemed necessary from time to time.

The Supervisory Body reports to the Management Body on both an ongoing and a periodic basis. The Supervisory Body keeps the Management Body informed:

- by means of a periodic report, usually half-yearly, on the progress of the programme of periodic and spot checks and on the state of implementation of the Model; a copy of this report is also sent to the Board of Statutory Auditors; the obligation to report periodically to the Management Body may also be fulfilled by periodically sending and/or making available the minutes of the Supervisory Body;
- promptly, about infringements or reports of unlawful acts or significant breaches of the Model that suggest the commission or attempted commission of offences that might result in the application of the Decree.

Without prejudice to the Supervisory Body's autonomous powers of initiative and control, the Management Body has the right to request further information from the Supervisory Body on its activities. The Board of Statutory Auditors also has this right, with reciprocal reporting.

3.6. Regulations of the Supervisory Body

In addition to the provisions of this chapter of the General Part of the Model, regulation of the activities of the Supervisory Body may be subject to specific decisions by the Supervisory Body itself, which has the power to regulate its operation and operating rules completely autonomously, including but not limited to procedures for keeping and maintaining its records and documentation, convening and scheduling meetings, secretarial activities, etc.

In any case, the Supervisory Body keeps written evidence of its activities by preparing and storing appropriate minutes and is available to meet with other corporate control bodies and to periodically report on its work to the Management Body.

4. DISSEMINATION OF THE MODEL AND TRAINING OF RESOURCES

4.1. Senior managers and employees

The Model is disseminated to all the persons concerned at the Company, according to methods and timescales defined for maximum awareness of the rules of conduct which the Company has decided to adopt.

The Model is available and can be viewed in its entirety, electronically or in paper form, at the Company's registered office, where it is available to anyone entitled to consult it.

The Supervisory Body also recommends, in agreement with the corporate functions, training/information programmes for company staff according to their role, the powers and delegations awarded and the level of risk of the corporate area in which they work.

4.2. Advisors/external contractors

OV S.p.A. provides information to persons who operate on behalf of the company under the supervision and coordination of senior management, particularly to advisors and/or external contractors of various kinds who work in high-risk areas and activities, on the existence of relevant rules of conduct and procedure.

Contractual relations with such persons include specific clauses protecting the Company, which allow for the relationship to be terminated in the event of contravention of the above rules of conduct and procedure.

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5. DISCIPLINARY SYSTEM

5.1. Objectives of the disciplinary system

As expressly required by law, an adequate system of sanctions, commensurate with the infringement and prioritising prevention, has been provided for breaches of the Code of Ethics and the procedures provided for in the Model.

Disciplinary sanctions are applied regardless of the outcome (or initiation) of criminal proceedings against individuals, as infringements of the Code of Ethics and the Model damage the relationship of trust established with the Company.

5.2. Structure of the disciplinary system

The disciplinary system provided for herein has an essentially preventative role, with sanctions ranging from conservative measures to termination, depending on the severity and possible recurrence of the infringements, as well as the justifications given. Since the disciplinary system complies with the principles of proportionate sanctions and the principle of adversarial process, in line with the strong orientation at constitutional level, the identification of the sanction in relation to the infringement can only take place in practice and taking into account the multiple circumstances emerging from the disciplinary procedure. Furthermore, the disciplinary system provided for herein, aimed at sanctioning infringements of the Code of Ethics and the Model, both by persons in senior positions (directors and managers) and by subordinates (employees or self-employed persons), cannot disregard the respective binding legal provisions on the subject and is therefore harmonised with the provisions of Law 300/1970 (Workers' Statute), the applicable national collective bargaining agreements, the Italian Civil Code and the Articles of Association. The Company remains free to assess and formulate any compensation claim permitted to compensate for damage caused as a result of this conduct, including damage caused by the application by the judge of the measures provided for in the Decree.

5.3. General material infringements

The infringement of individual rules of conduct of the Code of Ethics and the Model constitutes a disciplinary offence, with the effects provided for by law, collective bargaining and other applicable contractual clauses.

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The following also constitute general disciplinary offences:

- failure to apply or fraudulent circumvention of the rules of conduct established in the operating procedures referred to in the Model;
- obstruction of controls, unjustified impediment of access to information and documentation contrary to the Supervisory Body, or other conduct in any way capable of infringing or circumventing the control system, such as destruction or alteration of the documentation provided for in the Model;
- failure to comply with the measures to protect persons who report unlawful conduct or infringements of the Model, or the adoption of direct or indirect retaliatory or discriminatory actions against the reporting persons for reasons directly or indirectly relating to the report;
- making fraudulent or negligent reports that prove to be unfounded.

5.3.1. Disciplinary measures against directors

In the event of an infringement of the Model by directors, the Supervisory Body, also through the Board of Statutory Auditors, informs the Shareholders' Meeting, which will take the appropriate steps provided for by current legislation. The applicable sanctions may consist of the following, graded according to the severity and possible recurrence of the behaviour:

- a written or verbal warning,
- suspension of compensation,
- revocation of mandate.

The same sanctions also apply where, due to incompetence or negligence, directors have prevented or not facilitated the discovery of infringements of the Model or, in the most serious cases, the commission of offences relevant to the Decree, or if they have failed to monitor compliance by the staff of OVS S.p.A. with the provisions of law, this Model and the Code of Ethics.

The directors mainly oversee the activities of the persons under their management and supervision, within the scope of the provisions and duties set out in the Civil Code, through the verification and control systems provided for in this Model, through the activities of the Supervisory Body and other operating structures in charge of control activities, as well as all periodic and occasional disclosures provided to the directors by the above persons.

This is without prejudice to the right to any liability actions against directors pursuant to law.

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5.3.2. Disciplinary measures against executives

The applicable disciplinary sanctions may consist of the following, graded according to the severity and possible recurrence of the behaviour:

- a written warning,
- a fine of up to one day's compensation per the tables,
- suspension from duties without compensation for up to three days,
- dismissal for just cause.

Disciplinary measures are imposed, in accordance with current procedural and substantive rules, by company management, including at the request or report of the Supervisory Body, after consultation of the relevant corporate function.

The actual extent of the sanction, in accordance with the provisions of the national collective bargaining agreement applicable to the Company's staff, will be determined keeping in mind the nature and severity of the infringement, any repetition of the infringement, and the reliability, relevance and veracity of the justifications submitted by the interested party.

No disciplinary measure can be adopted against an employee before he or she has been notified of the charge and without having heard his or her defence.

Imposition of the measure must be justified and notified in writing.

The same sanctions also apply if executives have impeded, including due to negligence, the discovery of infringements of the Model or, in the most serious cases, the commission of material offences under the Decree, and if they fail to monitor, on the basis of the professional expertise and hierarchical and functional powers corresponding to the nature of his or her office, compliance with the provisions of law, this Model and the Code of Ethics on the part of his or her staff.

5.3.3. Disciplinary measures against employees

The applicable disciplinary measures, in ascending order of severity, consist of the following, in accordance with the above rules:

- a verbal warning,
- a written warning,
- a fine of up to four hours' pay,
- suspension from work without pay for up to ten days,
- dismissal for just cause or justified reason with or without notice.

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Disciplinary measures are imposed, in accordance with current procedural and substantive rules, by company management, including at the request or report of the Supervisory Body, after consultation of the relevant corporate function.

The actual extent of the sanction, in accordance with the provisions of the national collective bargaining agreement applicable to the Company's staff, will be determined keeping in mind the nature and severity of the infringement, any repetition of the infringement, and the reliability, relevance and veracity of the justifications submitted by the interested party.

No disciplinary measure can be adopted against an employee before he or she has been notified of the charge and without having heard his or her defence.

Imposition of the measure must be justified and notified in writing.

5.3.4. *Disciplinary measures against advisors/external contractors*

Infringements by the Company's third-party advisors and external contractors of the rules of the Code of Ethics and of this Model entail the mandatory activation, at the request or initiative of the Supervisory Body, of the contractual penalty clauses included in the relevant contracts.

This is without prejudice to the Company's right to seek compensation for damages.

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5. THE CODE OF ETHICS

The adoption by the Company, through the Code of Ethics, of behavioural principles that are relevant to the transparency and correctness of the company's activities and useful for the prevention of offences under Legislative Decree 231/2001 is an essential element of the preventative control system.

These principles are included in the Code of Ethics, which is an integral part of this Model; this is a document formally adopted by the Company's Board of Directors, containing all rights, duties and ethical principles adopted by the entity in respect of "stakeholders" (employees, suppliers, customers, public authorities and third parties).

It is intended to recommend, promote or prohibit certain types of conduct, beyond and regardless of the regulatory provisions, defining the principles of "corporate ethics" that OVS S.p.A. acknowledges as its own and requiring compliance on the part of all the persons concerned.

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