

Organisation, Management and Control Model pursuant to Legislative Decree No. 231 of 2001

Table of Contents

Definitions.....	2
1. NGGH: profile and activities	5
2. Corporate liability of entities: regulatory overviews	6
2.1. Scope of application	6
2.2. Sanctions	6
2.3. The Predicate Offences	7
2.4. Offences committed abroad.....	9
2.5. Preconditions and grounds for the exclusion of the entity's liability	9
3. The NGGH Organisational Model: objectives and purpose.....	11
3.1. Methodological approach to the Model.....	11
3.2. The adoption of the organisation, management and control model in NGG Group companies	12
4. Mapping	14
5. The Corporate Governance Model	15
5.1. The NGGH Corporate Governance Model	15
5.1.1. Shareholders' Meeting.....	15
5.1.2. Board of Directors.....	15
5.1.3. Executive Chairman/Executive Director	15
5.1.4. Board of Statutory Auditors.....	15
5.1.5. Auditing Company	16
5.2. Organisational responsibilities and authorising powers: the system of delegated and proxy powers	16
5.3. Control Principles and Organisational Procedures	17
5.4. The Financial Resources Management System	18
6. The Code of Ethics	19
7. The Disciplinary System	20
7.1. Non-management Employees	20
7.2. Management Employees	21
7.3. Measures against directors and auditors.....	21
7.4. Measures towards Business Partners	21
7.5. Measures in the event of violation of the Whistleblowing legislation	22
8. The Supervisory Board	24
8.1. Characteristics of the Supervisory Board	24
8.2. Identification of the Supervisory Board	25
8.3. Causes of Termination of Office	25
8.4. Cases of ineligibility and forfeiture	26
8.5. Functions, tasks and powers of the Supervisory Board.....	26
8.6. Supervisory Board's resources.....	27
8.7. System of information flows to and from the Supervisory Board	27
8.7.1. Information flows from the Supervisory Board to the Company bodies.....	27
8.7.2. Information flows to the Supervisory Board	28
8.8. The reporting system ("Whistleblowing")	29
8.8.1. General Remarks.....	29
8.8.2. Guidelines.....	29
8.9. Coordination of the Supervisory Board with the Subsidiaries' supervisory boards.....	30
9. Training and dissemination of the Model.....	31
9.1. Model Training Plan.....	31
9.2. Communication of the Model	31

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

Definitions

TERM	DESCRIPTION
Business Partner	Contractual counterparties of New Guards Group Holding S.p.A., i.e. natural or legal persons with whom it enters into any form of contractual collaboration and/or partnership for the sales network (customers, suppliers, consultants, agents, brokers, collaborators in various capacities)
CCNL	National Collective Bargaining Agreement applied by New Guards Group Holding S.p.A.
Code of Ethics	Code of ethics adopted by New Guards Group Holding S.p.A. and by all its direct and indirect subsidiaries
Confindustria Guidelines	Confindustria guidance document for the preparation of organisation, management and control models pursuant to the Legislative Decree No. 231 of 8 June 2001
Disciplinary System	Disciplinary system forming part of the organisation, management and control model adopted by New Guards Group Holding S.p.A.
Employees (singular “Employee”)	Persons linked to New Guards Group Holding S.p.A. by a contract of employment, self-employment or a manpower supply contract through employment agencies
Ethics Committee	Committee set up by New Guards Group Holding S.p.A., composed by the Head of Legal Governance & Co.Sec and the Human Resources Director to promote the dissemination of the principles contained in its code of ethics and their correct application.
Governmental Entity	Any body, office or agency, central or local, in Italy or abroad, which is in charge of public interests and which carries out legislative, jurisdictional or administrative activities by virtue of public law rules and authorising acts
Judicial Authorities	Authorities established by law, in an impartial position, entrusted with the performance of their judicial function
Legislative Decree No. 231/2001 or Decree	Legislative Decree No. 231 of 8 June 2001 containing the “ <i>Rules governing the corporate liability of legal persons, companies and associations, including those without legal personality</i> ”
Model Implementation Tools	All company provisions, internal measures, acts and procedures (such as, for example, the articles of association, the PoAs/DoAs system, organisation charts, job descriptions, procedures, guidelines, etc.).
NGG Group	Collectively, New Guards Group Holding S.p.A. and all its direct and indirect subsidiaries
NGGH or Company	New Guards Group Holding S.p.A.
Organisational Model or Model	Organisation, management and control model adopted by New Guards Group Holding S.p.A. pursuant to the Legislative Decree No. 231 of 8 June 2001
Predicate Offences (singular “Predicate Offence”) or Offences (singular “Offence”)	Offences identified by Chapter I, Section III of the Legislative Decree No. 231 of 8 June 2001, from which the entity’s corporate liability may derive, as well as, insofar as they are equivalent, the specific administrative offences for which the application of the rules contained in the same decree is envisaged
Protocols (singular “Protocol”)	Set of rules and/or minimum organisational principles that must be put in place for the prevention of the offences set out in the Legislative Decree No. 231 of 8 June 2001. The protocols supplement the system of procedures and rules already in place in the entity and must be read in conjunction with the requirements and operating rules governed by the Model Implementation Tools (see above for definition)

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

Recipients (singular “Recipient”)	Persons to whom the provisions of the organisation, management and control model and of the code of ethics adopted by New Guards Group Holding S.p.A. apply
Sensitive Activities (singular “Sensitive Activity”)	Activities of New Guards Group Holding S.p.A. in which there is a risk, even only potential risk, of commission of the offences referred to in the Legislative Decree No. 231 of 8 June 2001
Subordinates (singular “Subordinate”)	Persons subject to the management or supervision of the top managers referred to in below
Subsidiaries (singular “Subsidiary”)	All companies directly or indirectly controlled by New Guards Group Holding S.p.A.
Supervisory Authority	Collective bodies with the task of supervising the proper conduct of various sectors of public activity or of public interest
Supervisory Board	Body of New Guards Group Holding S.p.A. set up pursuant to Article 6 of the Legislative Decree No. 231 of 8 June 2001, endowed with independent initiative and control powers and responsible for supervising the operation, updating and observance of the organisation, management and control model and its constituent elements
Top Managers (singular “Top Manager”)	Persons holding representative, administrative or management offices in New Guards Group Holding S.p.A. or in one of its units with financial and functional autonomy, as well as persons exercising, also <i>de facto</i> , the management or the control over the company
Whistleblowing	Reports of illicit conducts according to the Italian and European Union Legislation made pursuant to the regulations on Whistleblowing according to the Legislative Decree No. 24/2023

NEW	GUARDS	GROUP

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

GENERAL PART

1. NGGH: profile and activities

NGGH is an Italian fashion and luxury company founded in Milan in 2015. It controls, directly or indirectly, companies that design, manufacture and distribute clothing, accessories, jewellery and design pieces, with the aim of combining contemporary design and craftsmanship and promoting the “Made in Italy” philosophy.

NGGH controls, directly or indirectly, the following companies in Italy:

- Alanui S.r.l.
- Ambush Italy S.r.l.
- County S.r.l.
- Heron Preston S.r.l.
- Heron Preston Trademark S.r.l.
- KPG S.r.l.
- NGG Beauty S.r.l.
- NGG Beta S.r.l.
- NGGH ++ S.r.l.
- OC Italy S.r.l.
- Off-White Operating S.r.l.
- Off-White Operating Milano S.r.l.
- Palm Angels S.r.l.
- There Was One S.r.l.
- Unravel Project S.r.l.
- Venice S.r.l.
- Venice Retail Italy S.r.l.

NGGH fulfils its coordination and strategic management and decision-making role within the NGG Group as a holding company, monitoring the attainment of the individual Subsidiaries' strategic objectives and supervising the policies for the concrete implementation of these strategies in the relevant market. The Subsidiaries oversee specific business areas and pursue their economic and volume objectives in concert with NGGH strategies. In the performance of their activities, they use both the services provided by NGGH and the services centralised at certain Subsidiaries, which are governed, in both cases, by special intercompany agreements.

The Subsidiaries, as autonomous legal entities, have their own governing bodies with full responsibility for the running of the corporate business, which must, however, be carried out within the framework of and in compliance with the directives, guidelines and orientations agreed and communicated by NGGH.

NGGH, through its Subsidiaries, controls internationally renowned brands, including Marcelo Burlon County of Milan, Off-White, Palm Angels, Unravel Project, Heron Preston, Alanui, Kirin Peggy Gou, Opening Ceremony, Ambush and There Was One.

NGGH, in turn, is subject to the management and coordination of Farfetch Limited (hereinafter “Farfetch”), a company listed on the NYSE of the New York Stock Exchange and, therefore, also subject to the controls provided for by the Sabarnes-Oxley Act (the SOX).

2. Corporate liability of entities: regulatory overviews

2.1. Scope of application

The Legislative Decree No. 231/2001 introduced, for the first time in our legal system, the liability of entities for administrative offences¹.

This is a particular form of liability, nominally of “administrative” type but essentially of a punitive-criminal nature, imposed on companies, associations and entities in general, in the event of Predicate Offences committed in their interest or to their advantage by a natural person holding a top management or subordinate position within them.

The Decree constitutes an intervention of great regulatory and cultural significance, on the basis of which, in addition to the criminal liability of the natural person who has committed the Offence, there is also the liability of the entity for whose benefit or in whose interest the Offence was committed.

The provisions contained in the Decree, pursuant to Article 1(2), apply to the following subjects:

- entities with legal personality;
- companies and associations, including those without legal personality.

Pursuant to Article 1(3), the following persons, on the other hand, are excluded from these rules:

- the State;
- territorial public bodies;
- other non-economic public bodies;
- bodies that perform functions of constitutional relevance.

Pursuant to Article 5(1) of Legislative Decree No. 231/2001, liability is attributable to the entity where the alleged Offences have been committed, in the interest or to the advantage of the entity, by persons linked to the entity in various ways, such as:

- persons performing representative, administrative or management functions in the entity or one of its organisational units having financial or functional autonomy and by persons who, *de facto*, manage and control the entity (“Top Managers”);
- persons subject to the management or supervision of Top Managers (“Subordinates”).

The conditions for liability as well as the cases of exclusion from liability are dealt with below in paragraph 2.5.

2.2. Sanctions

Article 9 of the Decree lists the sanctions that may be imposed on the entity. Specifically, they are:

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

The financial penalties referred to in paragraph 1 shall be applied in quota of not less than one hundred nor more than one thousand. The amount of each quota varies from a minimum of EUR 258.00 to a maximum of

1. With Legislative Decree No. 231/2001, issued in implementation of Article 11 of Delegated Law No. 300 of 2000, the Italian legislator transposed into Italian law the principles dictated by a number of international conventions (in particular the 1995 Convention on the Financial Protection of the European Community, the 1997 Convention on Combating Bribery involving Officials of the European Union and the 1997 OECD Convention, all aimed at fighting against economic crime).

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

€ 1,549.00. The number and value of the quota shall be determined by the court, within the limits set by law, taking into account the following factors:

- the seriousness of the Offence;
- the entity's degree of liability;
- the activities carried out by the entity to eliminate or to minimise the consequences of the Offence and to prevent further Offences from being committed;
- the entity's economic and asset conditions.

The disqualification measures listed in paragraph 2, on the other hand, are applied in the most serious cases and exclusively if at least one of the following conditions is met:

- the entity has obtained a significant profit as a result of the Offence and the Offence was committed by Top Managers or Subordinates when, in the latter case, the commission of the Offence was determined or facilitated by serious organisational deficiencies on the part of the entity;
- in the event of repeated Offences.

The disqualification measures are as follows:

- disqualification from the exercise of business activity;
- suspension or revocation of the authorisations, licenses or concessions involved in the commission of the Offence;
- prohibition to contract with Governmental Entities, except to obtain the performance of a public service;
- exclusion from benefits, loans, grants or subsidies and the possible revocation of those already granted;
- prohibition of advertising goods or services.

It should be noted that disqualification measures, also applicable as a precautionary measure, may have a duration of no less than three months and no more than two years.

In cases where the conditions leading to a disqualification sanction entailing the interruption of the entity's activity exist, Article 15 of Legislative Decree No. 231/2001 provides that the judge may order the continuation of the entity's activity by a Commissioner ("Placement of the Entity under Administration") if the two following prerequisites are met:

- if the entity performs a public service or essential public service, the interruption of which may result in serious harm to the community;
- whether interruption of the entity's activity, given its size and the economic conditions of the area in which it is located, may have significant repercussions on employment.

Confiscation of the price or profit of the Offence is always ordered upon conviction. The "price of the Offence" means money or other economic benefit given or promised to induce or cause another person to commit the Offence. The "profit of the Offence" means the immediate economic benefit derived from the Offence. Where it is not possible to perform confiscation of the assets that constituted the price or profit of the Offence, such confiscation may concern sums of money, assets or other benefits of equivalent value (confiscation "for the equivalent").

Lastly, the publication of the sanctioning decision, in excerpts or in full, in one or more newspapers indicated by the judge, as well as in the municipality where the entity has its head office, may be ordered in cases where a disqualification sanction is imposed. Publication is carried out by the court registry at the expense of the sanctioned entity.

2.3. The Predicate Offences

The scope of the Decree has undergone numerous amendments over time which have extended it.

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

Only specific categories of offences (so-called Predicate Offences) imply the corporate criminal liability, according to the Legislative Decree No. 231/2001. All the relevant predicate offences are listed in detail in the **Annex 1**.

The entity's liability does not, therefore, arise from the commission, by the persons identified above (see paragraph 2.1.), of any criminal offence, but is limited to the commission of one of the Predicate Offences indicated in the categories mentioned above. It should be noted, in this regard, that any attribution of liability to the entity arising from the commission of one or more of the Predicate Offences shall not exclude the personal liability of the natural person who committed the criminal conduct.

Considering the structure and activities carried out by NGGH, only the following categories of predicate offences have been identified as relevant:

- misappropriation of funds, fraud to the detriment of the State or a public body or the European Union or for the purpose of obtaining public funds, and computer fraud to the detriment of the State or a public body and fraud in public procurements (article 24 of the Decree);
- cybercrimes and unlawful data processing (article 24-*bis* of the Decree);
- organised crime offences (article 24-*ter* of the Decree);
- embezzlement, malfeasance in office, undue induction to give or promise benefits, bribery and abuse of office (article 25 of the Decree);
- counterfeiting money, legal tender (*carte di pubblico credito*), revenue stamps and distinctive signs (article 25-*bis* of the Decree);
- offences to the detriment of industry and trade (article 25-*bis*.1 of the Decree);
- corporate crimes (article 25-*ter* of the Decree);
- offences to the detriment of the individual personality (article 25-*quinquies* of the Decree);
- manslaughter and grievous or very grievous injuries committed in violation of health and safety in the workplace provisions (article 25-*septies* of the Decree);
- handling stolen goods, money laundering and use of money, goods or benefits of illegal origin, as well as self-laundering (article 25-*octies* of the Decree);
- fraud involving non-cash means of payment (article 25-*octies*.1 of the Decree)
- copyright infringement offences (article 25-*nonies* of the Decree);
- solicitation not to provide statements or to provide mendacious statements to the Judicial Authorities (article 25-*decies* of the Decree);
- environmental offences (article 25-*undecies* of the Decree);
- employment of undocumented foreign nationals (article 25-*duodecies* of the Decree);
- racism and xenophobia (article 25-*terdecies* of the Decree);
- tax offences (art. 25-*quinquiesdecies* of the Decree);
- smuggling offences (article 25-*sexiesdecies* of the Decree);
- cross-border offences (Law No. 146 of 2006);
- offences to the detriment of cultural heritage (art. 25-*septiesdecies* of the Decree);
- laundering of cultural assets and the devastation and looting of cultural and landscape assets (article 25-*octiesdecies* of the Decree).

On the other hand, the following categories of offences were not considered relevant for the Company:

- offences for the purpose of terrorism or to subvert the democratic order (art. 25-*quater* of the Decree);
- female genital mutilation (article 25-*quater*.1 of the Decree);
- market abuse (article 25-*sexies* of the Decree);
- fraud in sports competitions, unlawful gambling and betting and games of chance using prohibited equipment (article 25-*quaterdecies* of the Decree);

as the Company does not engage in activities in which the same may be committed, nor does there appear to be any interest or advantage for the Company in the event they are committed.

2.4. Offences committed abroad

Article 4 of the Decree establishes that entities are also liable for Offences committed abroad under the following conditions (which must be considered cumulative and not alternative):

- the Offences were committed, in whole, abroad;
- the Offences were committed by persons functionally linked to the entity, having the characteristics set out in Article 5(1) of the Decree (i.e. Top Managers and Subordinates);
- the entity has its head office in Italy;
- the cases and further conditions provided for in Articles 7, 8, 9 and 10 of the Italian Criminal Code are met so that the citizen and the foreigner can be punished under Italian law for Offences committed on foreign soil;
- the State in which the Offence was committed does not prosecute for such Offence;
- in cases where it is envisaged that the offender may be punished only upon the request of the Italian Minister of Justice, proceedings may be brought against the entity provided that such request is also made by the Minister against the entity itself;
- the offender, at the time of prosecution, must be on Italian State territory and must not have been extradited.

2.5. Preconditions and grounds for the exclusion of the entity's liability

Pursuant to Article 5(2) of Legislative Decree No. 231/2001, the entity is not liable for the Offence committed by Top managers or Subordinates if they act *"in their own exclusive interest or in the interest of third parties"*.

In particular, in the event of an Offence committed by Top Managers, the entity's liability is expressly excluded if the entity proves that the Offence was committed by the Top Manager fraudulently circumventing the model and that there was no omission or insufficient control by the supervisory board responsible for supervising the proper functioning of and compliance with the model. Article 6 of Legislative Decree No. 231/2001 therefore exempts the entity from liability with regard to Offences committed by Top Managers where the entity proves that, prior to the commission of the act:

- it has prepared and effectively implemented an appropriate organisation, management and control model to prevent the commission of the Offences;
- a body with powers of autonomous initiative and with the task of supervising the functioning of the organisation, management and control model (the Supervisory Board) has been set up within the entity;
- the Offence was committed by Top Managers fraudulently circumventing the entity's organisation, management and control model;
- the Supervisory Board did not fail to or did not inadequately exercise supervision.

In the event, on the other hand, of an Offence committed by a Subordinate, the entity will be liable where the commission of the Offence was made possible by its failure to comply with management and supervisory obligations. On the other hand, pursuant to Article 7 of the Decree, the entity is exempt from liability if it proves that it has adopted and effectively implemented, prior to the commission of the Offence, an organisational, management and control model capable of guaranteeing, for the type of organisation and activity carried out by the entity, the performance of the activity in compliance with the law and of verifying and promptly eliminating risk situations.

The suitability of the organisation, management and control model adopted by the entity to prevent the commission of the Offences is assessed on the basis of the model's ability to meet the following requirements:

- identifying the activities in the context of which the Offences may be committed;
- providing specific protocols governing the formation and implementation of the entity's decisions;
- identifying methods through which financial resources are to be managed to prevent the commission of Offences;
- establishing obligations of information by all employees and partners towards the Supervisory Board on main corporate events and, in particular, on activities deemed to be at risk;

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

- introducing disciplinary systems suitable for sanctioning non-compliance with the measures indicated in the organisation, management and control model.

3. The NGGH Organisational Model: objectives and purpose

3.1. Methodological approach to the Model

This Model has been drafted in line with the most recent updates to the Decree, with the Confindustria Guidelines and with the indications that have emerged from case law to date and considered significant.

The Model was prepared according to the following steps:

- analysis of the activities carried out in the various corporate areas, in order to identify the risks inherent therein with reference to the Offences (mapping of the areas at risk, hereinafter “Mapping”);
- evaluation of the organisational and control structures as elements mitigating the risks of commission of the Offences identified in the Mapping phase and description of the action plans aimed at overcoming or mitigating the criticalities identified;
- evaluation of the corporate governance model, with particular reference to the system of delegated and proxy powers, in order to identify areas for improvement of the same and, more generally, of the governance model itself;
- preparation of suggestions for actions to improve the internal control system from the perspective of the Decree (action plan);
- identification and appointment of the Supervisory Board and definition of information flows between the Supervisory Board and the various control bodies of NGGH;
- adoption of the Code of Ethics;
- definition of appropriate procedures to regulate Sensitive Activities;
- definition of a Disciplinary System aimed at sanctioning violations of the Model, the Code of Ethics and the Model Implementation Tools.

The Model's main objective is to define and structure an organic system of procedures and control activities, aimed at preventing, as far as possible, the commission of the Predicate Offences. The Model, therefore, constitutes a valid tool to raise awareness among Employees and Business Partners, so that each of them, in the performance of their activities, behaves correctly and in such a way as to prevent the risk of commission of Offences.

In summary, the Model has the purpose of:

- preventing and/or reasonably limiting the possible risks associated with the Company's activities, particularly with regard to unlawful conduct;
- ensuring that all individuals who work in the name and on behalf of the Company, in areas at risk, are aware that they and the Company may be held liable and subject to criminal and administrative sanctions;
- communicating that the Company will not tolerate unlawful conduct of any kind and for any purpose, since such conduct, in addition to violating the laws in force, are in any case contrary to the ethical principles by which the Company intends to be informed.

The Model consists of the following parts:

- I. a general part, describing the contents and impacts of Legislative Decree No. 231/2001, the basic principles and objectives of the Model, its methods of adoption, dissemination, updating and application, the constituent elements of the Model itself, the principles contained in the Code of Ethics, the tasks of the Supervisory Board, and the provision of the Disciplinary System;
- II. a special part, which describes, in detail, with reference to individual processes, the Sensitive Activities, the evaluation, construction and adaptation of the preventive control system, as well as the specific Protocols relating to Sensitive Activities.

The Model applies to the following Recipients:

- Top Managers, i.e. all those who perform, also *de facto*, management, administration, direction or control functions within the Company and/or one of its autonomous organisational units;

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

- Employees, even if stationed abroad for the performance of activities, including those persons who collaborate with the Company under a self-employment contract, such as temporary workers, interim workers, etc;
- Business Partner.

The Recipients of the Model are required to comply punctually with all its provisions, also in fulfilment of the duties of loyalty, fairness and diligence arising from the legal relations established with the Company.

The Board of Directors of NGGH (hereinafter the “Board of Directors”) shall coordinate with the Supervisory Board in order to determine any further categories of Recipients, in connection with the legal relationships and activities performed by them towards the Company.

The approval of the Model represents the Board of Directors’ prerogative and exclusive responsibility, as provided for pursuant to Article 6(1)(a) of Legislative Decree No. 231/2001. Moreover, the Model must always be promptly amended or supplemented, by the Board of Directors, also upon proposal of the Supervisory Board and in any case always after consultation with the Supervisory Board itself, when:

- significant changes concerning the Company’s regulatory framework, organisation or activity have occurred;
- violations or circumventions of the prescriptions contained therein have occurred, which have demonstrated their ineffectiveness for the prevention of the Offences;
- in any other case in which it is necessary or useful to amend the Model.

Should it be necessary to make non-substantial amendments to the Model (such as, for example, clarifications or specifications of a purely formal nature, amendments concerning the provisions of law, *etc.*), the Executive Chairman/ Executive Director of the Company , upon the proposal of the Legal Governance & Co.Sec, eventually having heard the opinion of the Supervisory Board, may do so.

In any case, any events that make it necessary to amend or update the Model must be reported by the Supervisory Board, in writing, to the Board of Directors, so that the latter can adopt the resolutions within its competence.

As moreover clarified by the Confindustria Guidelines, the Board of Directors, even with the establishment of the Supervisory Board, keeps unchanged all the powers and responsibilities provided for by the Italian Civil Code and by the articles of association (hereinafter the “Articles of Association”), including all those relating to the adoption and effective implementation of the Model as well as the functioning of the Supervisory Board itself.

For the implementation phase of the Model, the Board of Directors and the Executive Chairman/Executive Director, supported by the Supervisory Board, will be responsible, each within their respective sphere of competence, for the implementation of the various elements of the Model, including the operational procedures.

In any case, the Company intends to reiterate that the proper implementation and control of compliance with the corporate provisions and, therefore, with the rules contained in the Model constitute an obligation and a duty of all the Recipients, both internal and external to the Company and, in particular, of each department or office manager delegated, within the scope of his or her competence, with the primary responsibility for the control of activities, and particularly those at risk.

3.2. The adoption of the organisation, management and control model in NGG Group companies

The Subsidiaries shall adopt, for the purposes indicated in Legislative Decree No. 231/2001, their own organisation, management and control model consistent with the Model defined by NGGH, after having identified the activities that present a risk of commission of the Offences and the most appropriate measures to prevent them from being committed.

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

With reference to the preparation of the organisation, management and control model, the Subsidiaries comply with the Confindustria Guidelines, the Code of Ethics and the principles and provisions of the NGGH Model, supplementing its provisions on the basis of the specific characteristics relating to the nature, size or type of activity carried out by them, as well as the corporate structure and PoAs/DoAs' system, which may impose or suggest the adoption of different measures in order to pursue, more rationally and effectively, the planned objectives.

Any amendments and additions made by NGGH to the Model shall be promptly communicated to the Subsidiaries, which, if deemed appropriate to their respective business environments, shall implement them by means of a special resolution of their board of directors.

Likewise, the Subsidiaries shall notify NGGH of the adoption and subsequent updates of their organisation, management and control models.

The supervisory boards of the Subsidiaries shall promptly inform the NGGH Supervisory Board of any problematic aspects identified while updating their organisation, management and control model in line with the provisions of this Model.

4. Mapping

Article 6(2)(a) of the Decree states that the Model must provide for a mechanism to “*identify the activities within which offences may be committed*”.

Identifying the areas in which the risk of commission of Offences may exist involves a detailed assessment of all the corporate processes, aimed at verifying the theoretical possibility of the Predicate Offences and the suitability of the existing control elements to prevent them from being committed.

This analysis resulted in Mapping, aimed at ensuring the attainment of the following objectives:

- identifying the Company departments and/or offices which, in view of the tasks and responsibilities assigned, could be involved in the activities at risk of Offence;
- specifying the alleged events around the Offence;
- specifying the actual way in which the theoretical Offence is to be committed;
- identifying the control elements put in place to protect the identified Offence risks.

5. The Corporate Governance Model

Corporate governance is defined as the set of instruments, rules, relations, processes and corporate systems aimed at the proper and efficient management and control of a company, understood as a system of balancing the interests of minority shareholders, controlling shareholders and directors of a company (hereinafter, “Corporate Governance”).

The corporate governance structure thus expresses the rules by which decision-making processes are articulated in a company, the ways in which corporate objectives are decided upon, and the means for achieving and measuring the results achieved.

5.1. The NGGH Corporate Governance Model

NGGH adopts a “traditional” corporate governance model, consisting of the bodies specified in the Articles of Association and listed below.

5.1.1. Shareholders’ Meeting

The Company’s shareholders’ meeting (hereinafter referred to as the “Shareholders’ Meeting”) is competent to pass resolutions, in ordinary and extraordinary session, on matters reserved to it by law and/or by the Articles of Association.

5.1.2. Board of Directors

The Board of Directors consists of a minimum of 2 (two) members and a maximum of 11 (eleven), including the chairperson. All powers attributed to the Board of Directors are formalised in Article 15 of the Articles of Association.

5.1.3. Executive Chairman/ Director with Delegated Powers

The Board of Directors appointed an Executive Chairman and a Director with Delegated Powers, granting them, for the entire office, the necessary powers to perform such roles.

For a complete examination of the powers and authorities, please refer to the specific minutes of the meeting of the Board of Directors that appointed them and the related assignment of powers.

5.1.4. Board of Statutory Auditors

The Company’s Board of Statutory Auditors (hereinafter referred to as the “Board of Statutory Auditors”) consists of 5 members (3 full members and 2 alternate members) appointed by the Shareholders’ Meeting.

Pursuant to Article 2403 of the Italian Civil Code, the Board of Statutory Auditors shall “*ensure compliance with law and with Articles of Association, compliance with the principles of correct management and, in particular, adequacy of the organisational, administrative and accounting structure adopted by the Company and its functioning*”.

The role of the Board of Statutory Auditors, in accordance with the law, is therefore to supervise the administration of the Company. In particular, the Board of Statutory Auditors must:

- ensure that the directors act in an informed manner and that, in particular, prior to each meeting of the Board of Directors, all directors are provided with adequate information on the items on the agenda (see Article 2381(1) of the Italian Civil Code);
- verify that the Executive Chairman/Director with Delegated Powers reports to the Board of Directors and to the Board of Statutory Auditors, at the intervals laid down in the Articles of Association, on the general performance of management and on the most significant operations;
- assess, on the basis of the information received by the delegated bodies, the adequacy of the Company’s organisational, administrative and accounting structure;

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

- ensure that the provisions of Article 2391 of the Civil Code are complied with, in the event that a director has an interest in a specific transaction and, in particular, that the Board of Directors properly justifies the reasons for said transaction and its advantage to the Company (a case of conflict of interest);
- check that the Company's strategic, industrial and financial plans are drawn up, at the very least, in all situations in which it seems appropriate (judgement of expediency);
- oversee the execution of the resolutions of the shareholders' meeting, at least as regards the absence of conflict between those resolutions and the management acts;
- oversee the directors' actual examination of the functioning of the Supervisory Board;
- oversee the proper functioning of the Company's administrative-accounting system, both in terms of the procedures and methods adopted (schemes adopted, filing and publication), and with reference to the completeness and clarity of the information provided in the notes to the accounts and in the report on operations, as well as ensuring that the individual processes of the business cycle are correctly reflected in the Company's administrative-accounting system. The objective is, therefore, to provide their own reading of the Company's performance and express their own observations on the way in which the financial statements represent that performance. Pursuant to the law and the Articles of Association, if the prerequisites are met, the Board of Statutory Auditors may be invested with the office of legal auditor, in which case, with reference to the same, the rules contained in Legislative Decree No. 39 of 27 January 2010 (Italian Consolidated Law on Legal Auditing) shall apply.

5.1.5. Auditing Company

Pursuant to the law, the legal audit of the accounts is performed by the board of statutory auditors or, when mandatorily prescribed by law or decided by resolution of the ordinary shareholders' meeting and in any case in accordance with the laws and regulations in force at the time, by an auditor or a by an auditing company entered in the appropriate register. The requirements, functions, engagement, dismissal and termination, liability and activities of the auditor or auditing company are governed by law.

The Company is audited by a leading auditing company registered in the register of legal auditors and auditing companies established at the Ministry of Economy and Finance pursuant to Legislative Decree No. 39 of 27 January 2010 (hereinafter referred to as the "Auditing Company").

5.2. Organisational responsibilities and authorising powers: the system of delegated and proxy powers

As clarified by the Confindustria Guidelines, the organisational system must be sufficiently formalised, especially with regard to the allocation of responsibilities, hierarchical reporting lines and the description of tasks, with specific provision for control principles.

The organisational structure of the Company has therefore been formalised in an organisational chart that identifies the hierarchical reporting lines and the functional links between the various positions into which the structure is divided.

With reference to the authorisation system, the Confindustria Guidelines require that authorisation and signatory powers be assigned in line with organisational and management responsibilities, providing, when required, for a precise indication of the approval thresholds for expenditure, especially in areas considered at risk of Offence, as provided for by the Company's PoAs/DoAs' system.

The Board of Directors is the body responsible for formally conferring and approving delegated powers and signatory powers.

NGGH's PoAs/DoAs' system provides for the allocation of powers of representation, management and expenditure to the Executive Chairman of the Board of Directors, the Director with Delegated Powers and other persons within the corporate organisation. These persons, therefore, through the delegation of functions or proxy powers, are granted with management and spending powers consistent with the organisational responsibilities assigned to them, in order to ensure the functional management of the technical aspects required by the reference regulations, as well as the management of any emergencies that may occur.

5.3. Control Principles and Organisational Procedures

The Company has adopted specific procedures to regulate the Company's management and control system. As clarified by the Confindustria Guidelines, procedures must ensure compliance with the principles specified below.

- “Every operation or transaction must be verifiable, documented, consistent and congruous”.

With this principle, it is the Company's aim to ensure that, especially in activities most at risk of Offences, there is adequate documentary support (i.e. traceability), on the basis of which it is possible to carry out the relevant checks at any time. To this end, it should be possible to easily identify for each transaction who authorised it, who materially carried it out, who recorded it, and who carried out a check on it.

The traceability of transactions can also be ensured through the use of computer systems capable of managing transactions, allowing for compliance with the requirements described above.

- “No one can manage an entire business process in complete autonomy”.

The control system must check whether there are processes within the Company that are managed by a single person and, if so, make the necessary changes so as to ensure the so-called “separation of roles” principle. This requirement can be ensured by assigning the various stages of the process (authorisation, accounting, execution and control) to different parties.

Furthermore, in order to guarantee the separation of roles principle, authorisation and signatory powers should be correctly defined, assigned and communicated in such a way that no person is granted unlimited powers.

- “The checks carried out must be documented”.

The procedures by which the checks are carried out must ensure the option of retracing the control activities carried out, so as to allow for an evaluation of the consistency of the methodologies adopted (self-assessment, sample surveys, etc.) and the correctness of the results obtained (e.g. audit reports).

The Company also undertakes to ensure that the following control principles are complied with in all the activities at risk of Offence that have emerged from the Mapping exercise, as well as in all corporate processes:

- guaranteeing integrity and ethics in the performance of activities, through the provision of appropriate rules of conduct aimed at regulating each specific activity deemed to be at risk of Offence;
- formally defining the tasks and responsibilities of each Company department involved in activities at risk of Offence;
- allocating decision-making responsibilities in a manner commensurate with the degrees of responsibility and authority conferred;
- correctly defining, assigning and communicating the powers of authorisation and signature, providing (when necessary) a precise indication of the approval thresholds for expenditure, so that no person is granted unlimited discretionary powers;
- ensuring the separation of roles principle in the management of processes, by assigning the crucial stages of the process and, more specifically, that of authorisation, execution and control, to different parties;
- regulating the activity at risk of Offence, providing for appropriate control measures (checks, reconciliations, balancing, information mechanisms, etc.);
- ensuring the verifiability, documentary formalisation, consistency and congruity of each operation or transaction. To this end, the traceability of the activity must be ensured through adequate documentary support on the basis of which checks can be carried out at any time. It should therefore be easy to identify for each transaction who authorised it, who materially carried it out, who recorded it, and who carried out a check on it. The traceability of transactions is more accurately carried out by the use of

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

computer systems capable of managing transactions, allowing for compliance with the requirements described above;

- ensuring the documentary formalisation of the checks carried out. To this end, the procedures by which the checks are carried out must ensure the option of retracing the control activities carried out, so as to allow for an evaluation of the consistency of the methodologies adopted and the correctness of the results obtained;
- ensuring the presence of appropriate reporting mechanisms that allow systematic reporting by the personnel performing the activity considered at risk of Offence (written reports, reports, etc.);
- ensuring the reliability of financial reporting to top management;
- ensuring the presence of appropriate channels of communication with the Supervisory Board, which may request information and/or meetings with the individual heads of department and with the personnel dedicated to the performance of Sensitive Activities pursuant to Legislative Decree No. 231/2001;
- provide for moments of control and monitoring of the correctness of the activities carried out by the individual departments within the framework of the process in question (compliance with the rules, correct use of signature and spending powers, etc.).

5.4. The Financial Resources Management System

Article 6(2)(c) of the Decree provides that the Models must provide for “*methods of managing financial resources to prevent the commission of offences*”.

The Confindustria Guidelines recommend the adoption of mechanisms to document and verify the decision-making process that, in so doing, prevent the improper management of the entity’s financial resources.

Again, in accordance with the principles indicated in the Confindustria Guidelines, the control system relating to administrative processes and, more specifically, to the financial resources management process, is based on the - appropriately formalised - segregation of roles in the key phases of the process with the relative traceability of the acts and levels of authorisation to be associated with the transactions.

More specifically, the specific control elements are as follows:

- with reference to banking and financial transactions, the Company only uses banking and financial intermediaries subject to transparency and fairness regulations in accordance with European Union rules;
- the Company undertakes to ensure that the management of relations with credit institutions is carried out exclusively by persons authorised by the Company;
- limits are set on the autonomous use of financial resources by defining quantitative expenditure thresholds, consistent with managerial competencies and organisational responsibilities;
- the management of the Company’s financial flows is carried out in such a way that there is a segregation of roles between those who commit the Company in favour of third parties and those who authorise or arrange for the payment of the sums due on the basis of the commitments entered into;
- transactions involving the use or deployment of economic resources always have an express reason, are justified by the requesting party, and are documented and recorded in accordance with the principles of professional correctness and accounting accuracy;
- petty cash transactions are properly recorded. These transactions are justified and reconciled on a monthly basis by the staff of the relevant Company department;
- payments to third parties are made through banking circuits and by means that guarantee evidence that the beneficiary is actually the third party contracting with the Company;
- the Company’s receipts and payments can always be traced and documented;
- payments may only be made if in line with the contractual terms and only after the service has been rendered to NGGH (except for prepayments as agreed);
- expenses incurred through corporate credit cards are periodically reviewed by the relevant Company department through the analysis of the reports of the movements incurred during the reporting period on the basis of statements of expenditure.

6. The Code of Ethics

The Company has adopted a Code of Ethics, which is an integral and essential part of the Model.

The Code of Ethics is the document containing the social and moral rules to which the entire NGG Group must conform in carrying out their business. The Code of Ethics represents the charter of fundamental rights and duties and defines the Company's ethical and social responsibilities towards its stakeholders (both internal and external) and the values it shares. The NGG Group's Code of Ethics has been prepared in line with the provisions of the Farfetch Code of Conduct and Professional Ethics.

The Model presupposes compliance with the provisions of the Code of Ethics, and with it forms a body of internal rules aimed at the dissemination of an ethical approach and corporate transparency and, in the event that the provisions of the Code of Ethics should conflict with provisions laid down in internal regulations or procedures, the provisions of the Code of Ethics will prevail.

Any doubts on the application of the principles and rules contained in the Code of Ethics must be promptly discussed with the Ethics Committee and/or the Supervisory Board, or communicated to the same by means of the dedicated information flow system (see paragraph 9.7.2.). Similarly, anyone who becomes aware of violations of the principles of the Code of Ethics or of other events likely to alter its scope and effectiveness shall promptly report them (see paragraph 9.8.).

Failure to comply with the principles and rules of conduct contained in the Code of Ethics shall lead to the application of the sanctions provided for in the Disciplinary System as well as in the Code of Ethics itself.

7. The Disciplinary System

The Model is a set of rules all Recipients must comply with: any violation thereof, therefore, leads to the initiation of disciplinary proceedings and to the application of the relevant sanctions provided for by the Disciplinary System.

More specifically, a violation (hereinafter, "Violation" or, in the plural, "Violations") is defined as a violation of the provisions of Legislative Decree No. 231/2001, of the Model, of the Code of Ethics, as well as of the Model Implementation Tools. By way of example, but not limited to, each of the following conducts constitutes a Violation:

- performance of actions or conducts that do not comply with the law and/or the prescriptions contained in the Model, in the Code of Ethics and in the Model Implementation Tools, which result in a situation of even mere risk of commission of an Offence;
- failure to perform actions and/or conduct prescribed in the Model, in the Code of Ethics and in the Model Implementation Tools, which result in a situation of even mere risk of commission of an Offence.

The Company also provides for the imposition of sanctions against those who, in the context of Whistleblowing system, violate the measures put in place to protect the Whistleblower, pursuant to the provisions of law provided for by the Legislative Decree no. 24/2023 and the Guidelines implemented by the Company itself.

The Company provides for the imposition of sanctions as well as against those who make, with intent or gross negligence, reports that later prove to be unfounded (as described in paragraph 8.8. below).

It should be noted, in this respect, that the application of sanctions is irrespective of the outcome of any criminal proceedings initiated against the person responsible for the Violation.

As also clarified by the Confindustria Guidelines, the Disciplinary System and the relevant sanctioning mechanisms must be differentiated according to the type of employment and/or collaboration relationship existing with the Company (non-management Employees, management Employees, directors, auditors, business partners, etc.) and, in the case of a subordinate employment relationship, must comply with the procedures laid down in Article 7 of Law No. 300 of 30 May 1970 (hereinafter, the "Workers' Statute"), as well as the special legislation and the principle of type and category of violation with regard to the relationship maintenance sanctions.

A fundamental requirement of sanctions is that they are proportionate to the Violation committed, which must be assessed by reference to two criteria:

- the gravity of the Violation;
- the type of relationship established with the person responsible for the Violation (employed worker, self-employed worker, etc.), taking into account the specific regulations existing both at legislative and contractual level.

Should the Supervisory Board, during the course of its verification and control activities, detect a Violation, it shall initiate disciplinary proceedings against its perpetrator, notifying the NGGH's human resources department (hereinafter, the "HR Department") in order to assess any appropriate action to be taken.

7.1. Non-management Employees

In the event of a Violation by non-management Employees, the sanctions that may be imposed on them are those provided for in the CCNL applied by the Company, taking into account the gravity of the Violation of the Model.

The type and extent of sanctions will be determined in relation to the following parameters:

- the intentional nature of the conduct or degree of negligence, imprudence or inexperience with regard also to the foreseeability of the event;

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

- the worker's overall conduct with particular regard to whether or not they were subject to any previous disciplinary action, to the extent permitted by the law;
- worker's duties;
- company position of the individuals involved in the Violation;
- other special circumstances surrounding the Violation.

On a procedural level, Article 7 of the Workers' Statute applies, detailing the various stages of the disciplinary procedure (including, in brief, objection to the fact, defence, adoption of the disciplinary sanction, appeal, etc.) and setting out the timeframe.

Identifying liabilities resulting from the Violation and the imposition of the relevant sanction shall take place in compliance with the applicable legal provisions, the applicable CCNL rules, internal procedures, privacy provisions and in full observance of the fundamental rights to dignity and reputation of the persons involved.

As regards the investigation of Violations, disciplinary proceedings and the imposition of sanctions, the powers already conferred on the HR Department remain unchanged.

The Disciplinary System is constantly monitored by the Supervisory Board and by the HR Manager, in full compliance with the provisions of the applicable CCNL.

7.2. Management Employees

Compliance by management Employees with the provisions of the Model, of the Code of Ethics and of the Model Implementation Tools, as well as fulfilment of the obligation to ensure compliance with the provisions of the Model, of the Code of Ethics and of the Model Implementation Tools by the persons subject to their management and supervision, constitute fundamental elements of the relationship existing between them and the Company.

Therefore, in the event of a Violation by management Employees, or if it is proven that a management Employee has allowed non-management Employees in a hierarchically subordinate role to carry out a Violation, the most appropriate measures shall be applied against those responsible, depending on the seriousness of the conduct and in accordance with the applicable CCNL.

The management of disciplinary proceedings and the imposition of sanctions remain the responsibility of the HR Department.

7.3. Measures against directors and auditors

In the event of a Violation committed by one or more directors, the Supervisory Board shall inform the Board of Directors without delay to ensure the appropriate evaluations and measures.

In the event of a Violation committed by one or more members of the Board of Statutory Auditors, the Supervisory Board shall inform the Board of Directors without delay and, at the request of the Chairman of the Board of Directors, the Shareholders' Meeting shall be convened to adopt the appropriate resolutions.

7.4. Measures towards Business Partners

Any Violation by Business Partners shall be sanctioned in accordance with the applicable law and with the specific clauses in the relevant contracts.

This is without prejudice, in any event, to any claim for damages against the Business Partner, if the Violation causes concrete damage to the Company (for instance, in the event of the application to the Company of the measures provided for by the Decree during the course of legal proceedings pursuant to Legislative Decree No. 231/2001).

7.5. Measures in the event of violation of the Whistleblowing legislation

Pursuant to the regulatory provisions on Whistleblowing (Legislative Decree No. 24/2023 concerning the *Implementation of the European Union (EU) Directive 2019/1937 of the European Parliament and of Council, dated 23rd October 2019, on the protection of persons who report breaches of Union law and who report breaches of the national provisions of laws*”, hereinafter the “Whistleblowing Law”), acts of retaliation or discrimination against the whistleblower for reasons directly or indirectly related to the report made by the latter are prohibited.

The Company may apply the sanctions, contained in the applicable CCNL, against those who violate the measures put in place to protect the Whistleblower with reference to the right to confidentiality, as well as against those who violate the Guidelines improved by the Company according to the Legislative Decree no. 24/2023 or against those who obstruct the reporting. In particular, it must be considered a breach of the Whistleblowing system the failure to comply with the reporting procedure indicated in the Model and the provisions of law provided by the Legislative Decree no. 24/2023, with specific reference to: (i) violation of the measures of protecting the confidentiality of the Whistleblower and other persons, as provided for by the law; (ii) the adoption of conduct aimed at obstructing or attempting to obstruct the report; (iii) the adoption of discriminatory measures and retaliatory acts against the persons making the reports and other protected persons; (iv) failure to carry out the verification and analysis of the reports received; (v) as well as the making of reports that turn out to be unfounded with malice or gross negligence. The failure to set up reporting channels or to adopt procedures for making and handling reports, or the adoption of procedures that do not comply with the legislation should be considered relevant.

It should be noted that the adoption of discriminatory measures against whistleblowers can be reported to ANAC (National Anti-Corruption Authority), for measures within its competence, not only by the whistleblower, but also by the trade union indicated by the same.

It should be noted that retaliatory or discriminatory dismissal of the whistleblower is null and void. A change of position or duties within the meaning of Article 2103 of the Italian Civil Code, as well as any other retaliatory or discriminatory measure taken against the whistleblower, are also null and void.

In the event of disputes related to the imposition of disciplinary sanctions or to demotions, dismissals, transfers, or subjecting the whistleblower to other organisational measures having a direct or indirect negative effect on their working conditions and subsequent to the submission of the report, it is the employer's responsibility to prove that such measures are based on reasons unrelated to the report itself.

The Company may apply the sanctions as well as against those who made reports with malice or gross negligence, reports that, thereafter, are proven to be unfounded. In particular, a persons who made the report can be sanctioned when he/she has been considered criminal responsible (in presence of a judgement of first instance) for the offences of defamation or calumny and the same offences can be committed also filing a complaint before the judicial or accounting authorities, or when the civil liability of the person is ascertained, for the same reason, in presence of malice misconduct or gross negligence: in such cases the protections provided for by law are not guaranteed and a disciplinary sanction can be imposed to the Whistleblower.

In the event of Violation of the provisions of the Whistleblowing Law by members of the Supervisory Board and/or by the Ethics Committee, the Company, in order to protect the whistleblower's identity and to protect them from possible acts of retaliation or discrimination, may apply the sanctions specified below:

- in the event of a Violation by one or more members of the Supervisory Board, the other members shall immediately inform the Board of Directors. The Board of Directors, after having contested the Violation and granted the suitable means of defence, shall adopt the appropriate measures, including, for instance, the revocation of the office of the members of the Supervisory Board who have committed the Violation and the consequent appointment of new members to replace them, or, should they consider it appropriate, the revocation of the office of the entire Supervisory Board and the consequent appointment of a new one;
- in the event of a Violation by one or more members of the Ethics Committee, the Board of Directors will be immediately informed, and, after having contested the Violation and granted the appropriate

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

means of defence, will take the appropriate measures in view of the Violation and the conduct in question, as well as any and further legal provisions.

8. The Supervisory Board

8.1. Characteristics of the Supervisory Board

Pursuant to Articles 6 and 7 of Legislative Decree No. 231/2001, as well as the indications contained in the Confindustria Guidelines, the Supervisory Board's characteristics, ensuring the effective and efficient implementation of the Model, are as follows:

- autonomy and independence;
- professionalism;
- continuity of action.

Autonomy and independence

The requirements of autonomy and independence are fundamental in order to ensure that the Supervisory Board is not directly involved in the management activities that are the subject matter of its control activities and, therefore, is not influenced or interfered with by top management. These requirements can be achieved by guaranteeing the highest possible hierarchical position for the Supervisory Board and by providing for information flows to the Company's top operational management, i.e. the whole Board of Directors. For the purposes of independence, it is also essential that the Supervisory Board is not assigned operational tasks that would compromise its objectivity of judgement when assessing conduct and effectiveness of the Model.

Professionalism

The Supervisory Board must possess technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with independence, guarantee objectivity of judgement.

Continuity of action

The Supervisory Board supervises over the Model on an ongoing basis, with adequate commitment and with the necessary powers of investigation. Continuity of action must not be understood as "continuous operation", since such an interpretation would necessarily call for a Supervisory Board composed exclusively of members within the entity, and this would entail a decrease of the autonomy that the Supervisory Board must necessarily maintain. Continuity of action implies, on the other hand, that the activity of the Supervisory Board should not be limited to periodic meetings of its members, but should be organised on the basis of a plan of activities and the constant monitoring and analysis of the Company's system of preventive checks.

In order to ensure the fulfilment of the requirements described above, the members of the Supervisory Board should also possess, in addition to the professional skills described above, formal subjective requirements that further guarantee the autonomy and independence required by the task (e.g. honourableness, no conflicts of interest or family relationships with the corporate bodies and top management, etc.).

As regards the Supervisory Board's composition, the law does not provide specific indications, which allows for either a single- or multi-subject composition. In the latter case, both internal and external persons may be called upon to compose the Supervisory Board, provided that they meet the above-mentioned requirements.

The Supervisory Board has the task of supervising over:

- compliance with the Model by the Recipients;
- the actual effectiveness of the Model in preventing the commission of the Offences;
- the implementation of the provisions contained in the Model in the performance of the Company's activities;
- the updating of the Model, in case its provisions need to be adapted following changes in the Company structure and/or organisation, as part of the activities performed by the Company or the regulatory framework of reference.

8.2. Identification of the Supervisory Board

The Board of Directors has identified the Supervisory Board as a collective body whose members meet both the requirements of professionalism and competence for the performance of their functions, and the requirements of honourableness and independence necessary for autonomy of action.

This configuration guarantees the autonomy of any control initiatives from any form of interference and/or conditioning by any component of the organisation, while at the same time ensuring sufficient continuity of action and, on the whole, makes it possible to meet the requirement of professionalism in relation to the different categories of Predicate Offences.

Once established, the Supervisory Board provides itself with its own internal rules of procedure and establishes and updates the plan of activities to be carried out.

8.3. Causes of Termination of Office

The Supervisory Board remains in office for the term indicated in the deed of appointment and may be renewed.

The members of the Supervisory Board, in addition to meeting all the standards and requirements of professionalism, autonomy and independence, may not have any type of relationship with the Company that could generate potential conflicts of interest.

Termination of office of the Supervisory Board may occur for one of the following reasons:

- expiry of the term of office;
- revocation by the Board of Directors;
- resignation, formalised by written notice sent to the Board of Directors;
- the occurrence of one of the grounds for disqualification (see paragraph 9.4.).

The dismissal of the Supervisory Board or one of its members may only be ordered for cause, and this shall be understood as including, but not be limited to, the following cases:

- the case where the member of the Supervisory Board has been convicted (even if the decision is not final) or entered into a plea bargain (so called “patteggiamento”), in Italy or abroad, for the commission of a malicious or negligent crime, even if the crime is not a predicate offence according to the Legislative Decree no. 231/2001;
- the case where the member of the Supervisory Board has been convicted (even if the decision is not final) or entered into a plea bargain (so called “patteggiamento”), and the disqualification, even temporary, from public offices or the inability to exercise executive offices is a consequence of such conviction; ;
- the case of a breach of the confidentiality obligations imposed on the Supervisory Board;
- the commission of gross negligence in the performance of the duties connected with the office;
- the Company's possible involvement in criminal or civil proceedings which are a result of the Supervisory Board's failure to supervise or insufficient supervision, including negligence;
- the verification of a serious violation by the Supervisory Board or one of its members in the performance of its duties;
- failure to inform the Board of Directors of a conflict-of-interest situation that prevents a member of the Supervisory Board from remaining so;
- when a disciplinary proceedings begins against a member of the Supervisory Board, linked to the Company due to an employment relationship (“internal member”), because of the commission of acts that may lead to the sanction of dismissal against him/her.

Revocation is ordered by resolution of the Board of Directors.

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

Each member of the Supervisory Board may resign from his/her office at any time, in the manner to be laid down in the Supervisory Board regulation.

In the event of expiry, revocation or resignation, the Board of Directors appoints the new member without delay, while the outgoing member remains in office until their replacement.

8.4. Cases of ineligibility and forfeiture

Possible reasons for ineligibility and/or forfeiture of a member of the Supervisory Board are as follows:

- disqualification, incapacitation, bankruptcy or, in any case, a conviction, issued at the end of a criminal proceedings (even if the decision is not final) or when he/she entered into a plea bargain (so called “patteggiamento”), in Italy or abroad, for the commission of a malicious or negligent crime, even if the crime is not a predicate offence listed in the Legislative Decree no. 231/2001; or, in any case, a sentence entailing disqualification, even temporary, from public offices or the inability to exercise executive offices;
- the existence of relationships of marriage, family or spouse’s family up to the fourth degree with members of the Board of Directors or with external auditors of the Company;
- the existence of relationships of a financial nature between the member of the Supervisory Board and the Company which compromise the member’s independence.

Should a cause for forfeiture arise during the term of office, the member of the Supervisory Board shall immediately inform the Board of Directors.

8.5. Functions, tasks and powers of the Supervisory Board

In accordance with the indications provided by the Decree and the Confindustria Guidelines, the Supervisory Board role is, in general, to:

1. ensure that the knowledge, understanding and observance of the Model is widespread throughout the Company;
2. ensure the effective application of the Model in relation to the different types of Offences it covers;
3. verify the effectiveness of the Model and its actual ability to prevent the commission of the Offences in question;
4. identify and propose to the Board of Directors updates and amendments to the Model in relation to changes in legislation or in the Company’s needs or conditions;
5. ensure that the update and amendment proposals formulated by the Board of Directors have been effectively implemented in the Model.

As part of the role described above, the Supervisory Board organises its activities on the basis of an action plan, according to which the Supervisory Board performs the following tasks:

- a. periodical checks of Mapping and the adequacy of the control measures in order to allow for them to be adapted to changes in the Company’s activity and/or structure. To this end, the Recipients must report to the Supervisory Board any situations that might expose the Company to the risk of Offence. All communications must be in writing and forwarded to the Supervisory Board;
- b. based on the Supervisory Board’s activities planned in advance, periodical targeted checks and inspections on specific transactions or acts carried out within the areas at risk of Offences;
- c. collect, process and store relevant information regarding compliance with the Model, as well as update the list of information that must also be forwarded to the Supervisory Board;
- d. carry out internal investigations to verify alleged Violations brought to the attention of the Supervisory Board by specific reports or which have arisen during their supervisory activities;
- e. check that the elements provided for in the Model for the different types of Offences (standard clauses, procedures and related checks, system of delegated powers, etc.) are actually adopted and implemented and meet the requirements of compliance with Legislative Decree No. 231/2001, and, if not, propose corrective actions and updates thereof;

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

- f. monitor the adoption and effective implementation of the corrective actions that the Company has planned to put in place to prevent the risk of commission of the Offences.

In order to perform the above-mentioned functions and tasks, the Supervisory Board is granted the power to:

- broad and extensive access to the various corporate documents and, in particular, to those concerning contractual and non-contractual relations established by the Company with Business Partners;
- call on the support and cooperation of the various corporate structures and bodies that may be interested, or in any case involved, in control activities, first and foremost the internal audit department;
- confer specific consultancy and assistance mandates on professionals, including professionals from outside the Company;
- investigate the reports received, in order to check the commission of any Violations by Recipients.

The Supervisory Board meets at the intervals defined in its internal regulation and whenever one of its members has requested that it be convened, giving their reasons. The Supervisory Board may also delegate specific functions to its chairperson. Every meeting of the Supervisory Board is minuted.

8.6. Supervisory Board's resources

The Board of Directors assigns to the Supervisory Board the human and financial resources deemed appropriate for the performance of the assigned tasks. In particular, the Supervisory Board is vested with autonomous spending powers, as well as with the power to enter into, to amend and/or to terminate professional offices with third parties having the specific skills required for the best performance of the office.

The Supervisory Board defines its annual budget and submits it to the Board of Directors for approval.

8.7. System of information flows to and from the Supervisory Board**8.7.1. Information flows from the Supervisory Board to the Company bodies**

The Supervisory Board is obliged to report to the Board of Directors in two different ways:

- on an ongoing basis, for specific needs, including emergencies;
- on at least an annual basis, by means of a written report, providing the Board of Directors with the following specific information:
 - summary of the activities and checks carried out by the Supervisory Board during the reporting period and their findings;
 - any discrepancies between the Model Implementation Tools and the Model itself;
 - any new applicable Offences, as well as the possible commission of Offences;
 - reports received concerning alleged Violations and the results of the related checks carried out by the Supervisory Board;
 - disciplinary procedures activated at the Supervisory Board's proposal and any sanctions imposed;
 - general evaluation of the Model and its effective operation, with possible proposals for additions and/or improvements in form and/or content;
 - changes in the relevant regulatory framework, if any;
 - statement of the incurred expenses.

The Board of Directors has the power to convene the Supervisory Board at any time. Likewise, the Supervisory Board has, in turn, the power to request the convening of the Board of Directors for urgent reasons. Meetings with the Board of Directors must be minuted.

The Supervisory Board also reports, at least annually, to the Board of Statutory Auditors on the application of the Model, its operation, its updating and any relevant facts and/or events encountered. In particular, the Supervisory Board:

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

- reports to the Board of Statutory Auditors any shortcomings found with regard to the organisational structure and the effectiveness and operation of the Model Implementation Tools;
- reports on Violations by directors or other Recipients of the Model.

8.7.2. Information flows to the Supervisory Board

Article 6(2), letter d) of Legislative Decree No. 231/2001 imposes, in the Model, the insertion of information flows to the Supervisory Board, in order to ensure oversight of the effectiveness and efficacy of the Model, as well as to allow for a potential subsequent investigation of the causes of the Offences.

In this respect, the following information must be communicated to the Supervisory Board:

- periodically (or on occasion in the event of necessity or urgency), information, data, news and documents relating to circumstances, facts or events relevant under Legislative Decree No. 231/2001, by the persons in charge of the areas at risk of commission of the Offences. For more details on the content and frequency of these flows, please refer to the relevant Company procedure;
- on an occasional basis, any other information, of any nature whatsoever, on the violation of the Model and, more generally, of the provisions of the Decree, the Code of Ethics and the Model Implementation Tools, which may be useful for the performance of the Supervisory Board's duties and/or which could create, within the Company, the risk of the commission of Offences (so-called "whistleblowing" - see paragraph 9.8.); and
- within the scope of the checks carried out by the Supervisory Board, any information, data, news and document deemed useful and/or necessary for the performance of such checks, previously identified by the Supervisory Board itself and formally requested from the individual departments and/or functions.

In particular, through the above-mentioned flows, the Supervisory Board must receive, inter alia, the following information and/or documentation:

- measures and/or news coming from judicial police bodies or any other authority, concerning the conduct of investigations involving the Company or members of the corporate bodies;
- any report prepared by supervisors of other bodies within their supervisory activities which could reveal facts, events or omissions with criticalities relevant to compliance with Legislative Decree No. 231/2001;
- information on disciplinary proceedings and any sanctions imposed, or orders to dismiss such proceedings with the rationale therefor, if related to the commission of Offences or Violations;
- committees of inquiry or internal report and/or communication indicating liability for the Offences set out in Legislative Decree No. 231/2001;
- organisational changes;
- updates to the system of delegations and proxies;
- particularly significant transactions carried out within the areas at risk of Offences;
- changes in areas at risk, or potentially at risk, of Offences;
- aspects that may indicate deficiencies in the system of internal controls, reprehensible facts, observations on the Company's financial statements.

Any further types of information that the persons in charge involved in the management of Sensitive Activities must transmit to the Supervisory Board will be defined in the relevant Company procedure.

Where the report, sent according to the Legislative Decree no. 24/2023, is received by the Supervisory Board at its e-mail address and/or in hard copy, the latter shall, within 7 days of receipt, forward it to the Ethics Committee and inform the Whistleblower. The Committee will handle the report in accordance with the relevant corporate Guidelines (see paragraph 8.8.2.), informing the Supervisory Board and cooperating with it, in the event of breaches relevant under Legislative Decree no. 231/2001, without any prejudice for the guarantees provided for the Legislative Decree no. 24/2023 concerning the protection of the confidentiality of the Whistleblower.

The information flows received and the related documents are stored by the Supervisory Board in a special archive, electronic or paper.

8.8. The reporting system (“Whistleblowing”)

8.8.1. General Remarks

The Legislative Decree 10th March 2023, no. 24 (the “Whistleblowing Law”), concerning the *“Implementation of the European Union (EU) Directive 2019/1937 of the European Parliament and of Council, dated 23rd October 2019, on the protection of persons who report breaches of Union law and who report breaches of the national provisions of laws”*, deeply modified the provisions of law concerning the Whistleblowing matter, editing article 6, paragraphs 2- bis, of the Legislative Decree no. 231/2001, which states as follows: *“The models referred to in paragraph 1(a) shall provide, pursuant to the legislative decree implementing the Directive (EU) 2019/1937 of the European Parliament and the Council of 23 October 2019, the internal reporting channels, the prohibition of retaliation and the disciplinary system adopted pursuant to paragraph 2(e)”*.

The Whistleblowing Law has introduced into the Italian legal system an apparatus of rules aimed at improving the effectiveness of instruments to combat unlawful acts, breaching Italian and European Union laws, as well as better protecting the authors of reports, by encouraging the reporting of unlawful conduct or violations of organisational management and control models and placing a legal duty on the employer of proving - in the event of disputes relating to the imposition of disciplinary sanctions, de-skilling, dismissals, transfers or subjecting the reporter to other organisational measures after the submission of the report with direct or indirect negative effects on working conditions - that such measures are based on reasons unrelated to the report itself (so-called “reversal of the burden of proof in favour of the whistleblower”).

8.8.2. Guidelines

In order to implement the provisions of the Whistleblowing Law and thus ensure the effectiveness of the Whistleblowing system, NGGH decided to implement a specific corporate Guidelines for the handling of reports of Offences, the CG006_ WHISTLEBLOWING MANAGEMENT (hereinafter “Whistleblowing Guidelines”), to which please refer. This tool represents a further mechanism for monitoring compliance with the regulations in force and applies to reports concerning violations pertaining to the Company's activities and any other violation of the regulations that may have an impact (i.e., sanctions, financial, reputational, etc.).

In this regard, appropriate reporting channels have been set up to ensure the confidentiality of the identity of the reporter and the proper handling of the relevant reports (even if anonymous).

The Ethics Committee is the recipient of the reports. It forwards any reports to the Supervisory Board if they relate to one or more Predicate Offences according to the Legislative Decree no. 231/2001.

Reports can be sent, therefore, to the Ethics Committee through the following channels:

- **informatic platform Convercent:**
 - written form, through a specific informatic procedure indicated into the following link: <https://app.convercent.com/en-us/Anonymous/IssueIntake/LandingPage/d8e2b44f-fa75-e811-80e5-000d3ab6ebad>.
 - oral form, through a request for a face-to-face meeting with the Ethics Committee, by appointment, accessible at the following link: <https://app.convercent.com/en-us/Anonymous/IssueIntake/LandingPage/d8e2b44f-fa75-e811-80e5-000d3ab6ebad>;
- **paper based mail to New Guards Group Holding S.p.A., Via Filippo Turati 12, 20121 Milan (MI),** indicating *“confidential to the attention of the Ethics Committee of New Guards Group Holding S.p.A.”*.

The Ethics Committee, as the body in charge of handling the report, must act in such a way as to ensure the confidentiality of the identity of the whistleblowers (should they decide to come forward) and must protect them against any form of retaliation and/or discrimination or, in any case, penalisation for reasons connected, directly or indirectly, to the report filed. The Disciplinary System also provides for the imposition of sanctions against anyone who violates the provisions of the Legislative Decree no. 24/2023 concerning the Whistleblowing matters and the related internal Guidelines (for further details please refer to paragraph 7.5.).

In the event of internal reports concerning acts that may constitute a breach of the rules governing the

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

Company's activity, but, at the same time, they may also be relevant for the purposes of Legislative Decree no. 231/2001, the Ethics Committee must send a specific report to the Supervisory Board, taking care to protect the confidentiality of the Whistleblower and other persons protected by the law, when it is necessary to evaluate to initiate or not a further investigations pursuant to Legislative Decree No. 231/2001.

8.9. Coordination of the Supervisory Board with the Subsidiaries' supervisory boards

Without prejudice to the allocation of responsibilities to each of the NGG Group's companies regarding the implementation of its own organisation, management and control model and without prejudice to the primary responsibility of the respective supervisory board to exercise the relevant checks, the NGGH's Supervisory Board, as a body of the parent company, is entrusted with the power to initiate and coordinate the activities aimed at the application of the basic principles and objectives of this Model within the entire NGG Group.

In particular, the NGGH's Supervisory Board, while respecting the autonomy of the individual companies that make up the NGG Group and the limits imposed by legal provisions:

- drives and performs coordination tasks with reference to checking and control activities as well as for the application of the basic principles and objectives of this Model;
- proposes, on the basis of the above checks, the revision of the organisation, management and control models of the individual Subsidiaries, when it becomes clear that they need to be adapted, on the basis of the principles and objectives of this Model;
- carries out, jointly with the supervisory board of the Subsidiaries involved from time to time, special checks to ensure their compliance with the basic principles and objectives of this Model, taking into account their respective sensitive and/or instrumental processes, with the right to access the relevant documentation.

The Subsidiaries, in adopting their own organisational, management and control model, grant the Supervisory Board of NGGH all the powers provided for herein.

The supervisory bodies of the Subsidiaries, where necessary, may use (on the basis of formal agreements providing for, inter alia, service levels, information flows and protection of confidentiality) external resources (including those of NGGH) for the performance of checks.

NGGH's Supervisory Board may also discuss and exchange information with the supervisory bodies of the Subsidiaries, in order to have an overall view of the effectiveness of the control system for the protection against the risks of Offences in the entire NGG Group, without prejudice to the exclusive responsibility of each supervisory board to know and decide on possible violations of the organisation, management and control model adopted by the individual companies of the NGG Group.

9. Training and dissemination of the Model

It is the Company's objective to ensure that the Recipients are properly informed of the contents of the Decree, the Model and the obligations arising therefrom.

9.1. Model Training Plan

Training is an important tool for the effective implementation of the Model and for the widespread dissemination of the principles of conduct and control adopted by the Company to its internal Recipients, in order to reasonably prevent Offences.

To this end, the Company shall develop an adequate periodic training programme, which shall be compulsory and differentiated depending on whether the training is addressed to Top Managers and Subordinates generically (hereinafter "General Training") or to Top Managers or Subordinates operating in specific areas at risk of Offence as well as to the Head of Internal Control (hereinafter "Specific Training").

It is provided that General Training should concern all levels of the organisation, in order to ensure that each recipient of such training:

- is aware of the provisions established in Legislative Decree No. 231/2001 and, therefore, be aware that the Company intends to adopt them and make them an integral part of the corporate culture;
- is aware of the objectives that the Company aims to achieve through the implementation of the Model and the ways in which each person's duties can contribute to achieving them;
- knows their own role and responsibilities within the Company's internal control system;
- knows what conduct is expected or acceptable and what conduct is not deemed acceptable by the Company;
- knows the information flow channels that are suitable for the type of information to be communicated and for the person the communication is addressed to, and, more specifically, knows to whom and how to report the presence of anomalies in the performance of Company activities;
- is aware of the disciplinary measures applicable in the event of Violations;
- knows the Supervisory Board's tasks and powers.

Specific Training, on the other hand, concerns all those persons who need specific skills in order to be able to carry out their activities and the particular aspects of such activities, as well as the persons in charge of internal control who are responsible for monitoring activities potentially at risk. These individuals must receive both General and Specific Training. In particular, Specific Training should give the subject:

- knowledge of the potential risks associated with their activity, as well as the specific control mechanisms to be activated in order to monitor the activity;
- knowledge of the risk assessment techniques specific to the activity carried out as well as the exact methods required to implement it and/or the procedures that regulate it, in order to acquire the ability to identify any anomalies and report them in a manner and timeframe necessary for the implementation of possible corrective actions.

In the event of significant changes and/or updates to the Model, update modules shall be organised in order to raise awareness of such changes.

9.2. Communication of the Model

In line with the provisions of Legislative Decree No. 231/2001 and the Confindustria Guidelines, the Company promotes adequate communication of the Model, in order to ensure that all its Recipients are aware of all its elements.

Communication must be widespread, effective, clear and detailed, with regular updates on changes to the Model

In particular, to be effective, communication must:

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

- be sufficiently detailed in relation to the Recipient's hierarchical position within the Company;
- use the most appropriate and easily accessible communication channels for the Recipients in order to provide the information in a timely manner;
- be of quality, both in terms of content (i.e., it must include all the necessary information) and in terms of timeliness, accessibility and updates (i.e., it must contain the most recent information).

The plan for communicating the Model to the Recipients within the Company must be developed in line with the principles defined above, through the means of corporate communication considered most suitable, such as, for example, e-mail and/or publication on the Company intranet and/or classroom training (see paragraph 10.1.). Communication to Business Partners will be provided with specific information and mechanisms will be put in place for the inclusion of specific clauses in contracts.