

NMB ITALIA S.r.l.

**ORGANISATIONAL, MANAGEMENT AND
CONTROL MODEL PURSUANT TO
LEGISLATIVE DECREE 231/2001**

DOCUMENT APPROVED BY THE BOARD OF DIRECTORS
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GENERAL SECTION

CHAPTER 1 - LEGISLATIVE DECREE 231/2001

1. The Company's administrative liability regime introduced by Legislative Decree 231/2001

Legislative Decree 231 of 8 June 2001, which implemented Delegating Law 300 of 29 September 2000, introduced to Italy the "*Rules on the administrative liability of legal entities, companies and associations also without legal personality*" (referred to from now on, for the sake of brevity, as "Legislative Decree 231/2001" or the "Decree") by adjusting Italian legislation on the liability of legal entities to some International Conventions that Italy joined in the past but without ever implementing them.

This involves, above all, the Brussels Convention of 26 July 1995 on the protection of the European Communities' financial interests, the Convention also signed in Brussels on 26 May 1997 on the fight against corruption involving officials of the European Community or of the Member States and the OECD Convention of 17 December 1997 on the fight against bribery of foreign public officials in economic and international transactions.

Without going so far as to recognize the criminal liability of entities - in compliance with art. 27 of the Constitution, which qualifies criminal liability as personal - the Decree introduced for the first time in our legal system a principle of liability for certain offences, specifically listed in the Decree, committed in the interest or for the benefit of the entities, by those who, being invested with this power, act in the name and on behalf of the body they represent.

The entity is not liable if such persons acted in the exclusive interest of themselves or third parties. The entity's liability is in addition to that of the natural person who performed the act.

For the entity to be held accountable,

- i. the crime has to be committed by one of the persons indicated in art. 5 of Legislative Decree 231/2001 and, therefore, by persons who hold the functions of representation, administration or management of the entity or of an organisation with financial and functional autonomy or by persons who exercise, even *de facto*, their management and

control (so-called persons in "apical" position) or persons subject to the direction or supervision of others, who implement the decisions made by top management in the interest of the entity (so-called persons subject to the direction of others)

- ii. the crime has to be committed in the interest or to the advantage of the entity. In fact, the entity is not liable if the persons concerned acted in their own exclusive interest or that of third parties.

Art. 6 of Legislative Decree 231/2001 establishes that, in the case of a crime committed by a person in an "apical" position, the institution **is not** responsible if:

- it adopted and implemented organisational, management and control models suitable for preventing crimes similar to those that took place before the event in question took place;
- it has entrusted the task of supervising the functioning of these Models and of updating them to a body of the entity with autonomous powers of initiative and control (i.e. Supervisory Bodies);
- the persons committed the crime by fraudulently eluding the Model;
- the Supervisory Body carried out its functions correctly and there was therefore no omission or insufficient supervision by it.

The Decree also provides that these models have to:

1. identify the activities where there is a possibility that crimes may be committed;
2. provide specific protocols aimed at planning the formation and implementation of the entity's decisions with regard to offences;
3. identify methods of managing adequate financial resources to prevent the commission of such offences;
4. envisage reporting obligations to the body in charge of supervising the functioning of and compliance with the Model;
5. introduce an internal disciplinary system to sanction any failure to comply with the measures indicated in the Model.

According to the intention of the legislator, adoption of an organisational, management and control model is therefore a situation that absolves the entity from crime, being in itself a deterrent.

So, in the event of a crime being committed by a person in an apical position, there is a presumption that the entity is liable. To overcome that presumption, the entity has to provide proof of its extraneousness by demonstrating that it has adopted and effectively implemented an organisational, management and control model suitable to prevent the type of crimes that occurred and that it has overseen the effective operation of the Model through a structure specifically responsible for such tasks.

Where the crime has been committed by persons subject to the direction of others, art. 7 of Legislative Decree 231/2001 establishes that the entity is liable if commission of the offence was made possible by non-observance of the obligations of management and supervision.

The difference between this and a crime committed by a person in an apical position lies in the burden of proof: in the first case, it lies with the entity, whereas in the second case it lies with the prosecution, which has to prove the entity's failure to adopt or implement an Organisational, Management and Control Model.

In conclusion, although there are no rules that require the entity to adopt Organisational, Management and Control Models, in order to be exempt from liability, the entity has to adopt models based on maximum effectiveness, fulfilling the preventive function that the system aspires to and diversified in relation to the specific crime risk to be prevented, with organisational measures that guarantee performance of the activity, permitting the discovery and elimination of irregular situations which could give rise to the risk of offences being committed.

For the purposes of effective implementation of the model, it needs to be considered that Legislative Decree 231/2001 also requires models to be constantly updated to ensure that they always fulfil the purpose for which they were introduced and that effective disciplinary systems and behavioural protocols are set up to minimize or eliminate the risk.

2. The predicate crimes envisaged by Legislative Decree 231/2001

The types of offences that could lead to administrative liability on the part of the entity are only those expressly listed by the legislator.

The Decree - in its original text - referred to a series of crimes committed in dealings with the Public Administration, the objective being to punish corruptive behaviour with a view to facilitating the company's business.

Over the years, the list of so-called predicate crimes has expanded considerably to include a large part of the illicit situations attributable to business activities.

At the end of the numerous integrative interventions, to date, the list is as follows:

I - Crimes committed in dealings with the Public Administration - arts 24 and 25 of the Decree:

- misappropriation to the detriment of the State or other public body (art. 316-bis of the Italian Criminal Code);
- inappropriate receipt of sums to the detriment of the State or other public body (art. 316-ter of the Italian Criminal Code);
- extortion (art. 317 of the Italian Criminal Code);
- corruption in the exercise of the function (arts. 318 and 321 of the Italian Criminal Code);
- corruption by acts contrary to official duties (arts. 319 and 321 of the Italian Criminal Code);
- aggravating circumstances (art. 319-bis of the Italian Criminal Code);
- corruption in legal acts (arts 319-ter and 321 of the Italian Criminal Code)
- inducement to corrupt (art. 322 of the Italian Criminal Code);
- fraud to the detriment of the State or a public body (art. 640, paragraph 2, no. 1 of the Italian Criminal Code);
- aggravated fraud to obtain public money (art. 640-bis of the Italian Criminal Code);

- information fraud to the detriment of the State or other public body (art. 640-ter of the Italian Criminal Code);
- embezzlement, bribery, undue inducement to give or promise benefits, corruption and instigation to the corruption of members of the International Criminal Court or the bodies of the European Communities and officials of the European Communities and foreign states (arts. 320 and 322-bis of the Italian Criminal Code);
- undue inducement to give or promise benefits (art. 319-quater of the Italian Criminal Code).

II - IT crimes and illicit data processing - art. 24 bis of the Decree:

- falsehood in IT documents (art. 491-bis of the Italian Criminal Code);
- improper access to a computer or telematic system (art. 615-ter of the Italian Criminal Code);
- unlawful detention of access codes to computer or telematic systems (art. 615-quater of the Italian Criminal Code);
- diffusion of equipment, devices or computer programmes with the purpose to damage or disrupt a computer or telematic system (art. 615-quinquies of the Italian Criminal Code);
- interception, obstructing or illicit interruption of computer or telematic communications (art. 617-quater of the Italian Criminal Code);
- installation of equipment intended to intercept, prevent or interrupt computer or telematic communications (art. 617-quinquies of the Italian Criminal Code);
- information, data and computer programmes corruption (art. 635-b is of the Italian Criminal Code);
- corruption of information, data and computer programmes used by the State or by other public Entity, or by any means of public utility (art. 635-ter of the Italian Criminal Code);
- information or telematic system corruption (art. 635-quater of the Italian Criminal Code);

- corruption of information or telematic system of public utility (art. 635-quinquies of the Italian Criminal Code);
- Information fraud of the subject performing services of certification of electronic signature (art. 640-quinquies of the Italian Criminal Code).

III - Crimes of criminal association - art. 24 ter of the Decree:

- criminal association aimed at committing crimes of reduction or maintenance in slavery, trafficking in persons, purchase or sale of slaves, illegal immigration, child prostitution, child pornography, possession of child pornography, tourism initiatives aimed at exploiting child prostitution, sexual violence and sexual acts with a minor, sexual group violence and solicitation of minors (art. 416 of the Italian Criminal Code);
- mafia associations included foreign associations (art. 416-bis of the Italian Criminal Code);
- electoral exchange between politicians and mafia associations (art. 416-ter of the Italian Criminal Code);
- kidnapping for the purpose of robbery or extortion (art. 630 of the Italian Criminal Code);
- criminal association for the illicit traffic of narcotic drugs and psychotropic substances (art. 74 of the Presidential Decree 309 dated 9 October 1990);
- crimes of illicit manufacturing, introducing into the State, putting on sale, transfer, detention and carrying in public places combat or combat-type arms or their parts, explosives, illegal arms, as well as more than one common firearm, except those provided by art. 2, paragraph 3 of Law 110 of 18 April 1975 (art. 407, paragraph II, letter a), no. 5 of the Italian Criminal Procedure Code).

IV - Crimes of counterfeiting - art. 25-bis of the Decree:

- counterfeiting money, spending and introducing counterfeit money into the State according to an agreed plan (art. 453 of the Italian Criminal Code);
- altering money (art. 454 of the Italian Criminal Code);
- spending and introducing counterfeit money into the State, not according to an agreed plan (art. 455 of the Italian Criminal Code);

- spending counterfeit money received in good faith (art. 457 of the Italian Criminal Code);
- counterfeiting revenue stamps, introducing into the State, buying, holding or distributing counterfeit revenue stamps (art. 459 of the Italian Criminal Code);
- counterfeiting watermarked paper used to produce public credit instruments or revenue stamps (art. 460 of the Italian Criminal Code);
- manufacturing or keeping watermarks or tools to counterfeit money, revenue stamps or watermarked paper (art. 461 of the Italian Criminal Code);
- use of counterfeit or altered revenue stamps (art. 464 of the Italian Criminal Code);
- counterfeiting, altering or using trademarks, logos or patents, models or drawings (art. 473 of the Italian Criminal Code);
- introducing into the State and trading industrial products with counterfeit logos (art. 474 of the Italian Criminal Code).

V - Crimes against trade and industry - art. 25-bis 1 of the Decree

- obstructing commerce and industry (art. 513 of the Italian Criminal Code);
- unlawful competition with threat or violence (art. 513-bis of the Italian Criminal Code);
- fraud against national industries (art. 514 of the Italian Criminal Code);
- trade fraud (art. 515 of the Italian Criminal Code);
- sale of food products that are not genuine as if they were genuine (art. 516 of the Italian Criminal Code);
- sale of industrial products characterized by false marks (art. 517 of the Italian Criminal Code);
- manufacturing and trade of goods realized by the infringement of patent rights (art. 517-ter of the Italian Criminal Code);
- counterfeiting of geographical indication or denomination of origin of agricultural and food products (art. 517-quater of the Italian Criminal Code).

VI - Corporate crimes - art. 25 ter of the Decree:

- false corporate communications (art. 2621 of the Italian Civil Code);
- minor events (art. 2621-bis of the Italian Civil Code);
- false corporate communications of listed companies (art. 2622 of the Italian Civil Code);
- falsehood in prospectus (art. 2623 of the Italian Civil Code, repealed by art. 34 of Law 262/2005, which then introduced art. 173-bis of TUF);
- prevented control (art. 2625 of the Italian Civil Code);
- fictitious formation of capital (art. 2632 of the Italian Civil Code);
- improper return of corporate contributions (art. 2626 of the Italian Civil Code);
- unlawful allocation of profits and reserves (art. 2627 of the Italian Civil Code);
- unlawful transactions with company shares or quotas or in shares/quotas of subsidiary companies (art. 2628 of the Italian Civil Code);
- operations in prejudice to creditors (art. 2629 of the Italian Civil Code);
- failure to communicate conflict of interest (art. 2629-bis of the Italian Civil Code);
- improper division of assets on the part of the liquidators (art. 2633 of the Italian Civil Code);
- undue influence over the shareholders' meeting (art. 2636 of the Italian Civil Code);
- stock manipulation (art. 2637 of the Italian Civil Code);
- hindering the performance of duties by public supervisory bodies (art. 2638 of the Italian Civil Code);
- corruption between individuals (art. 2635 of the Italian Civil Code).
- inducement to corrupt individuals (art. 2635-bis of the Italian Civil Code)

VII - Crimes for the purpose of terrorism or against the democratic order, introduced by the Italian Criminal Code and by special laws - art. 25-quater of the Decree:

- subversive associations (art. 270 of the Italian Criminal Code);

- associations for the purpose of terrorism also international terrorism or against the democratic order (art. 270-bis of the Italian Criminal Code);
- assisting members of such associations (art. 270-ter of the Italian Criminal Code);
- enlisting for purposes of domestic or international terrorism (art. 270-quater of the Italian Criminal Code);
- organisation of transfers for purposes of terrorism (art. 270-quater 1 of the Italian Criminal Code);
- training for purposes of domestic or international terrorism (art. 270-quinquies of the Italian Criminal Code);
- behaviour for purposes of terrorism (art. 270-sexies Italian Criminal Code);
- act of terrorism with deadly or explosive devices (art. 280-bis of the Italian Criminal Code);
- terrorist attack for purposes of terrorism or subversion (art. 280 of the Italian Criminal Code);
- kidnapping for the purpose of terrorism or subversion (art. 630 of the Italian Criminal Code);
- instigation to commit any of the crimes against the State (art. 302 of the Italian Criminal Code);
- political conspiracy through agreement and political conspiracy through association (arts. 304 and 305 of the Italian Criminal Code);
- being part of an armed band, including training, participation and assistance to conspiracy or armed band (arts. 306 and 307 of the Italian Criminal Code);
- crimes of terrorism under special laws: they consist of all of the Italian legislation passed in the '70s and '80s to fight terrorism;
- crimes, other than those indicated in the Italian Criminal Code and in special laws, committed in violation of art. 2 of the New York Convention of 8 December 1999, ratified by Italy with Law 7 of 14 January 2003. Pursuant to art. 2 of this Convention:

1. A crime is committed under this Convention by anyone who by any means, directly or indirectly, illicitly and deliberately provides or raises funds in order to see them used, or

knowing that they will be used, in whole or in part, in order to commit: a) an act which is a criminal offence as envisaged and defined in one of the Treaties listed in the attachment; b) any other act designed to kill or seriously injure a civilian or any other person who does not participate directly in hostilities in a situation of armed conflict when, by its nature or context, such act is aimed at intimidating a population or forcing a government or an international organisation to do, or refrain from doing, any act whatsoever.

(...) 3. For an act to constitute a crime pursuant to paragraph 1 of this article, it is not necessary that the funds have actually been used to commit an offence referred to in paragraphs a) or b) of this paragraph 1.

4. A crime is also committed by anyone who attempts to commit a crime within the meaning of paragraph 1 of this article.

5. A crime is also committed by anyone: a) participating as an accomplice in a crime pursuant to paragraphs 1 or 4 of this article; b) organising the perpetration of a crime pursuant to paragraphs 1 or 4 of this article or giving orders to other persons to commit it; c) contributing to the perpetration of one or more of the crimes referred to in paragraphs 1 or 4 of this article by a group acting jointly. This contribution has to be deliberate and must: i) aim to facilitate the group's criminal activity or serve its purposes, if such activity or these purposes presuppose the perpetration of a crime pursuant to paragraph 1 of this article; ii) be provided knowing that the group intends to commit a crime pursuant to paragraph 1 of this article.

VIII - Female genital mutilation - art. 25-quater¹ of the Decree:

- female genital mutilation (art. 583-bis of the Italian Criminal Code)

IX - Crimes against the individual - art. 25-quinquies of the Decree:

- enslavement or maintenance of individuals in a state of slavery or bondage (art. 600 of the Italian Criminal Code);
- under-age prostitution (art. 600-bis of the Italian Criminal Code);
- under-age pornography (art. 600-ter of the Italian Criminal Code);
- holding pornographic material (art. 600-quater of the Italian Criminal Code);
- virtual pornography (art. 600-quater.1 of the Italian Criminal Code);

- tourist initiatives to exploit under-age prostitution (art. 600-quinquies of the Italian Criminal Code);
- unlawful traffic of individuals (art. 601 of the Italian Criminal Code);
- purchase and sale of slaves (art. 602 of the Italian Criminal Code);
- prostitute soliciting minors (art. 609-undecies of the Italian Criminal Code);
- Illicit intermediation and exploitation of labour (art. 603-bis of the Italian Criminal Code).

X - Crimes of market abuse - art. 25-sexies of the Decree:

- insider trading (art. 184 of Decree Law 58 of 21.02.1998);
- market manipulation (art. 185 of Decree Law 58 of 24.02.1998).

XI - Crimes of culpable homicide and serious or very serious negligence, committed with violation of the accident prevention regulations and the protection of hygiene and health at work - art. 25-septies of the Decree:

- culpable homicide (art. 589 of the Italian Criminal Code);
- culpable personal injuries (art. 590 of the Italian Criminal Code).

XII - Receiving stolen goods, Money-laundering and use of money, goods or assets of unlawful origin - art. 25-octies of the Decree:

- receiving stolen goods (art. 648 of the Italian Criminal Code);
- money-laundering (art. 648-bis of the Italian Criminal Code);
- use of money, goods or assets of unlawful origin (art. 648-ter of the Italian Criminal Code);
- self-money-laundering (art. 648-ter 1 of the Italian Criminal Code).

XIII - Crimes involving infringement of copyright - art. 25-novies of the Decree:

- public diffusion into a system of computer networks, by way of connections of any kind, of intellectual works protected by copyright, or part of them (art.171 paragraph 1 letter a-bis of Law 633/1941);

- committing a crime indicated in the previous point, using someone else's work not destined to be published if the author's honour or reputation is offended (art. 171, paragraph III of Law 633/1941);
- unauthorised duplication of computer software to profit from it; import, distribution, sale, possession for commercial purposes or entrepreneurial purposes, or rental, of software held on supports not marked by the SIAE; preparation of equipment with the purpose of removing or functional avoidance of software protection systems (art. 171-bis, paragraph I of Law 633/1941);
- reproduction, transfer onto a different support, distribution, communication, presentation or public demonstration of database content; extraction or re-use of a database; distribution, sale and rental of a database (art. 171-bis, paragraph II of Law 633/1941);
- unlawful duplication, reproduction, transmission or public diffusion, by any means, fully or partially, of an original work addressed to the TV or movie sector, to the sale or rent of records, tapes, or similar supports, or any other support containing phonograms or videograms, of music works, movies or similar audio-video works, or image sequences in movement; literary, dramatic, scientific or didactic, music, music-dramas or multimedia works, even if such works are inserted in collective works or composite works, or databases; reproduction, duplication, transmission or unlawful diffusion, sale or put into market, transfer by any means, or unlawful import of more than fifty copies or exemplars of original works protected by copyright or connected rights; introduction to public telematic systems of intellectual works protected by copyright, or part of them, by any kind of connection (art. 171-ter of Law 633/1941);
- omitted communication to SIAE of supports not subject to mark or false declaration (art. 171-septies of Law 633/1941);
- unlawful production, sale, import, promotion, installation, modification, for public or personal usage, of equipments or part of them, with the purpose to decode audio-video transmissions with limited access, transmitted through ether, satellite, cable, both in analogical and digital form (art. 171-octies of Law 633/1941).

XIV - Crime of induction not to render declarations or to render false declarations to the judicial authority - art. 25-bis of the Decree:

- induction not to render declarations or to render false declarations to the judicial authority (Article 377-bis of the Italian Criminal Code).

XV - Transnational crimes (arts. 3 and 10 of Law 146 of 16 March 2006)

Art. 3 of the law defines a transnational crime as an offence punished with a penalty of imprisonment of not less than a maximum of four years, if an organised criminal group is involved, and a) it is committed in more than one country; b) or it is committed in one country, but a substantial part of its preparation, planning, management or control takes place in another country; c) or it is committed in one country, but it involves an organised criminal group engaged in criminal activities in more than one country; d) or it is committed in one country but has substantial effects in another country.

The following situations featuring transnationality have been included in the list:

criminal association (art. 416 of the Italian Criminal Code);

mafia associations (art. 416-bis of the Italian Criminal Code);

criminal association for the smuggling of tobacco processed abroad (art. 291-quater of Presidential Decree 43 of 23 January 1973);

criminal association for the illicit traffic of narcotic drugs and psychotropic substances (art. 74 of Presidential Decree 309 dated 9 October 1990);

provisions against illegal immigration (art. 12, paragraphs 3, 3-bis, 3-ter and 5 of Decree Law 286 of 25 July 1998);

offences involving the obstruction of justice, for the crimes referred to in arts. 377-bis and 378 of the Italian Criminal Code.

XVI - Environmental crimes - art. 25-undecies of the Decree:

- killing, destroying, capturing, collecting, possessing specimens of protected wild animals or plants (art. 727-bis of the Italian Criminal Code);
- destroying or spoiling habitats within a protected site (art. 733-bis of the Italian Criminal Code);
- discharging industrial waste water containing dangerous substances; discharging waste water on the ground, in the subsoil and in the groundwater; ships or aircraft discharging waste in the sea (art. 137 of Legislative Decree 152/06);
- unauthorised waste management activities (art. 256 of Legislative Decree 152/06);
- reclamation of sites (art. 257 of Legislative Decree 152/06);
- violation of the obligations of communication, of keeping mandatory registers and forms (art. 258 of Legislative Decree 152/06);
- illicit trafficking in waste (art. 259 of Legislative Decree 152/06);
- activities organised for the illicit trafficking in waste (art. 452-quaterdecies of the Italian Criminal Code);
- IT system for monitoring the traceability of waste (art. 260-bis of Legislative Decree 152/06);
- exceeding emission limits which also means exceeding the air quality limits foreseen in current legislation (art. 279, paragraph V of Legislative Decree 152/06);
- importing, exporting, possessing, using for profit, purchasing, selling, exporting or possessing protected species for sale or for commercial purposes (arts. 1 and 2 of Law 150/92);
- falsification or alteration of certificates, licences, import notifications, declarations, communication of information for the purpose of acquiring a licence or certificate, use of false or altered certificates or licences for the marketing and holding of live specimens of mammals and reptiles that may constitute a danger to public health and safety (art. 3-bis of Law 150/92);
- possession of specimens that constitute a danger to public health or safety (art. 6 paragraph IV of Law 150/1992);

- ceasing and reducing the use of harmful substances (art. paragraph VI of Law 549/1993);
- malicious pollution (art. 8 of Legislative Decree no. 202/07);
- negligent pollution (art. 9 of Legislative Decree 202/07);
- environmental pollution (art. 452-bis of the Italian Criminal Code);
- environmental disaster (art. 452-quater of the Italian Criminal Code);
- culpable offences against the environment (art. 452-quinquies of the Italian Criminal Code);
- trafficking in and abandoning highly radioactive material (art. 452-sexies of the Italian Criminal Code)
- aggravating circumstances (art. 452-octies of the Italian Criminal Code).

XVII - Crime of employing illegal immigrants - art. 25-duodecies of the Decree:

Art. 22 paragraph 12-bis, of Legislative Decree 286/1988 says: "An employer who **employs** foreign workers without a permit to stay as required in this article, or whose permit has expired and the renewal of which has not been requested in accordance with the law, or if it has been revoked or cancelled, is punishable with imprisonment from six months to three years and with a fine of € 5,000 for each worker employed.

The penalties for the situation envisaged in paragraph 12 are increased by 33% to 50%:

if more than three workers are employed;

if the workers employed are minors of non-working age;

if the workers employed are subject to the other particularly exploitative working conditions referred to in the third paragraph of article 603-bis of the Italian Criminal Code."

Law 161 of 17 October 2017 has modified art. 25-duodecies of Legislative Decree 231/2001 inserting paragraphs 1-bis, 1-ter and 1-quater which are quoted below:

"1-bis. As regards commission of the crimes referred to in article 12, paragraphs 3, 3-bis and 3-ter, of the consolidated text referred to in Legislative Decree 286 of 25 July 1998 and

subsequent modifications, a pecuniary sanction of between four hundred and one thousand quotas is applied to the entity.

1-ter. As regards commission of the crimes referred to in article 12, paragraph 5, of the consolidated act referred to in Legislative Decree 286 of 25 July 1998 and subsequent modifications, a pecuniary sanction of between one hundred and two hundred quotas is applied to the entity.

1-quater. In cases of conviction for the crimes referred to in paragraphs 1-bis and 1-ter of this article, the disqualifying sanctions provided for in article 9, paragraph 2, shall be applied for a period of not less than one year."

The predicate offences are, therefore, the crimes referred to in art. 12, paragraphs 3, 3-bis, 3-ter and 5 of Legislative Decree 286/1998:

"3. Unless the fact constitutes a more serious offence, anyone who, in violation of the provisions of the present consolidated act, **promotes, directs, organises, finances or transports** foreigners in the territory of the state **or performs other acts aimed at illegally obtaining entry** in the territory of the state, or of another state of which the person is not a citizen or has no permanent residence, is punished with imprisonment from five to fifteen years and with a fine of € 15,000 for each person, in the event that:

- a) the fact involves the illegal entry or stay in the territory of the state of five or more persons;
- b) the person transported has been exposed to danger to their life or safety in order to obtain illegal entry or stay;
- c) the person transported has been subjected to inhuman or degrading treatment in order to obtain illegal entry or stay;
- d) the fact is committed together by three or more persons or by using international transport services or documents that are counterfeit or altered or in any case illegally obtained;
- e) the perpetrators of the fact have available weapons or explosive materials.

3-bis. If the facts referred to in paragraph 3 are committed by resorting to two or more of the situations referred to in letters a), b), c), d) and e) of this paragraph, the penalty envisaged is increased.

3-ter. The prison sentence is increased by between one third and one half and the fine of 25,000 euro per person is applied if the facts referred to in paragraphs 1 and 3:

a) are committed in order to recruit people to be used for prostitution or in any case for sexual or labour exploitation, or they concern the entry of minors to be used in illegal activities in order to facilitate their exploitation;

b) are committed in order to make a profit, whether directly or indirectly.

...

5. Apart from the situations envisaged in the preceding paragraphs, and unless the fact constitutes a more serious offence, anyone who **favours their permanence** in the territory of the state in violation of the rules of this consolidated act in order to obtain an unfair profit from the condition of illegality of the alien or in the context of activities punished pursuant to this article is punished with imprisonment up to four years and a fine of up to thirty million lire. When the act is committed together by two or more persons, or concerns the permanence of five or more persons, the penalty is increased by between a third and a half."

XVIII - Racism and xenophobia - art. 25-terdecies of the Decree

The crime is the one foreseen in art. 604 bis, paragraph III of the Italian Criminal Code, which says: "The sentence of imprisonment from two to six years applies if the propaganda or the instigation and incitement, committed in such a way that there is a concrete danger of diffusion, are based in whole or in part on the negation of the Holocaust or of the crimes of genocide, crimes against humanity and war crimes, as defined in articles 6, 7 and 8 of the Statute of the International Criminal Court, ratified pursuant to Law 232 of 12 July 1999."

We would emphasise that we have taken into consideration in this Model only the types of offence for which an internal analysis showed that there was a potential risk in the activities carried out by NMB Italia S.r.l.

In any case, the Company's Board of Directors is tasked with integrating the "Model" with other Special Parts relating to other types of crimes or administrative offences if it is advisable to proceed in this direction based on the periodic checks carried out.

5. Sanctions envisaged by Legislative Decree 231/2001

The disciplinary system outlined by Legislative Decree 231/2001 is defined as "binary" as it provides for the application of pecuniary and disqualifying sanctions; the former derive directly from the commission of the offence, whereas the latter only apply in cases of particular gravity.

The pecuniary sanction

The pecuniary sanction constitutes the "basic" sanction that has to be applied and which the entity is responsible for paying with its assets or common fund; it therefore constitutes a fundamental and unwavering sanction applicable to all illicit acts linked to a crime.

The amount of the fine is determined "by quotas", according to a mechanism that requires the judge to carry out two separate evaluations to ensure that the sanction is fair and effective.

The first evaluation requires the judge to determine the number of quotas (in any case not less than one hundred nor more than one thousand) considering:

- the gravity of the fact;
- the degree of the entity's liability;
- the steps taken to eliminate or mitigate the consequences of the fact and to prevent the commission of other offences.

During the second evaluation, the Judge determines the value of each quota [from a minimum of 500,000 lire (258.23 euro) to a maximum of 3,000,000 lire (Euro 1,549.37), between the predetermined minimum and maximum values for the crimes being sanctioned] *"on the basis of the economic and financial conditions of the institution in order to ensure that the sanction is effective."*

The Decree also provides for the application of mitigating circumstances in the presence of particularly slight offences or if the entity has taken remedial action.

The penalty can be reduced to half as long as:

- the offender committed it essentially in their own interest or that of third parties and the entity did not gain any advantage, or a minimum advantage (if the crime is committed by the perpetrator exclusively in their own interest or that of third parties, it is not subject to any form of liability).
- The financial damage is particularly slight.

There is another situation where the penalty can be reduced further, linked to the fact that the entity has taken remedial action.

The reduction goes from one third to one half of the pecuniary sanction if, before the first trial is declared open, the entity shows that it has compensated the damage and eliminated the harmful or dangerous consequences of the crime or to have taken effective action in that direction.

Another case of reduction of the penalty by between one third and one half goes to the benefit of the entity which, before sentence is passed, has adopted and implemented effective measures to defuse or significantly reduce the risk of crimes being committed.

Lastly, a reduction in the pecuniary sanction by between one half and two thirds is envisaged if the compensation and remedial actions are taken at the same time as the adoption of crime prevention models.

In all situations where the penalty is reduced, it cannot in any case fall below € 10,329.14.

The disqualifying sanctions

Disqualifying sanctions only apply to the crimes for which they are expressly provided for in the legislative text; they are as follows:

- ban on carrying on the business;
- ban on dealings with the Public Administration, except to obtain public services;
- suspension or revocation of authorisations, licences or concessions considered functional to the commission of the illegal act;

- exclusion from facilitations, loans, contributions and subsidies, and/or revocation of those already granted;
- ban on advertising goods or services.

For the disqualifying sanctions to be implemented effectively, at least one of the conditions laid down in the Decree must be met, namely:

- that the entity has earned a substantial profit from the crime and the crime was committed by persons in an apical position or by persons subject to the direction of others when, in this case, the commission of the crime was determined or facilitated by serious organisational weaknesses, or
- in the case of recurrence of the offences (art. 20 Decree Law 231/2001 "There is recurrence when the entity has already been definitively convicted at least once for an offence linked to a crime and commits another one in the five years after final conviction.")

Disqualifying sanctions last for not less than three months and not more than two years.

In any case, disqualifying sanctions are not applied when the crime was committed essentially in the interest of the perpetrator or that of third parties and the entity has gained little or no advantage or the financial damage caused is particularly slight.

Application of disqualifying sanctions is in any case excluded by the fact that the entity has taken remedial action, i.e. when the following conditions are met:

- the entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the crime or has in any case worked effectively in this direction;
- the entity has eliminated the organisational weaknesses that led to the crime by adopting and implementing organisational models to prevent crimes of the type that occurred;
- the entity has made available the profit earned for it to be confiscated.

The sanctioning system briefly outlined above is completed by the provision of two further sanctions: **publication of the sentence** and **confiscation**.

Application of the first sanction is optional and the decision is left to the judge, but the judge can only use it if a disqualifying sanction has been applied to the entity.

Confiscation, on the other hand, is always applied with a sentence of condemnation.

CHAPTER 2 - THE ORGANISATIONAL SYSTEM OF NMB ITALIA S.R.L. S.r.l.

1. Premises

NMB Italia S.r.l., a sole quotaholder company, (later also "NMB Italia S.r.l." or the "Company"), is part of the MINEBEA MITSUMI group (later also the "Group") which includes numerous subsidiaries and affiliates in various countries in the world.

The Company has as its corporate purpose the purchase, sale, import, export, production and trade, also as an intermediary, of ball bearings, spherical knots, machined parts, electric motors, transformers, fans, mechanical, electromechanical and electrical components, lighting equipment, as well as sensors, connectors, wi-fi communication systems and equipment, and other electronic components for both civil and military use; production, assembly, maintenance, integration, installation, distribution and sale of telecommunication and data visualization systems, remote control of energy systems, robotised systems for the automotive industry, management of building automation and management systems of aircraft with non-assisted drive and in general systems requiring electronic management or remote control solutions, including rental of equipment connected to the above.

It was set up in 1982 with the commercial mission to interpret the needs of the markets in question and establish a bridge between these and the Group's factories for the best customer satisfaction.

NMB Italia S.r.l. currently operates exclusively as an intermediary, selling Group products (ball bearings, spherical plain bearings, electric motors and other mechanical and electrical components) to companies operating in various sectors, from industrial and automotive to aerospace and medical, operating on the Italian, Spanish, Swiss, Turkish, other South-East European and South American countries.

The Company has been granted the status of AEO (Authorised Economic Operator); in 1997 NMB Italia S.r.l. obtained the ISO 9001:2008 quality certifications for the commercialisation of

mechanical and electromechanical components and in 2014 the certification according to EN 9120:2009/UNI EN 9120:2010 for the commercialisation of mechanical and electromechanical components for the aerospace and defence sectors. As a supplier to the automotive sector, the Company is subject to the IATF 16949:2016 international standard.

These certifications allow NMB Italia S.r.l. to continuously monitor the activities carried out to ensure compliance of these activities with the requirements set by the international standards on the basis of which these certifications have been granted.

The Company's activities are inspired by constitutionally guaranteed principles and deeply respectful of values such as honesty, transparency, equality and impartiality, fairness, respect for the environment and safety of the workplace. The corporate policies and operating procedures applied by NMB Italia S.r.l. are based on the principles and values contained in the "Code of Conduct of the Minebea Group" and in the "Guidelines for behaviour for Group managers and employees", approved by the Group respectively in 2005 and 2010 and in the Code of Ethics adopted by the Company by resolution of the Board of Directors on 14 July 2017.

2. NMB Italia S.r.l.'s organisational structure

NMB Italia S.r.l. has an organisational structure able to guarantee a clear and organic assignment of tasks, with unambiguous definition of the powers that are delegated and precise definition of their limits.

The organisational structure of NMB Italia S.r.l. respects the fundamental requirements of formalisation and clarity, transparency, communication of roles and, as regards the assignment of responsibilities, representation, definition of hierarchical lines and operational activities.

Overall, the organisational structure consists of:

- 1. Memorandum of Incorporation and Articles of Association of the Company**, that define the Company's purpose and operations and the corporate bodies with their related powers, tasks and responsibilities.

The Administration and, therefore, the strategic direction, management and representation of the Company is entrusted to a Board of Directors, which currently consists of 2 members. The Board of Directors grants its Chairman the powers of ordinary and extraordinary administration, including the right to delegate these powers, as detailed in the Chamber of Commerce certificate, to third parties and to appoint representatives. The power to represent the Company towards third parties lies with the Chairman of the Board of Directors or another director designated for this purpose; the Chairman of the Board of Directors also has the functions of Employer pursuant to Legislative Decree 81/2008.

2. Organisation chart, attached to this Organisational, Management and Control Model (the "Model") as Attachment A, which represents the organisational structure of NMB Italia S.r.l., where the functions and business areas that make up the organisation are specified. The organisation chart is kept up to date and communicated to all staff to ensure a clear and formal definition of the duties assigned. The same communication must be forwarded to the Supervisory Body, also in the event of changes in delegated powers, to allow the latter's assessments to determine whether the changes involve an impact on the General Section or on the Special Section of the Model. If the answer is in the affirmative, the Supervisory Body has to propose the appropriate/necessary amendments to the Board of Directors.

3. System of delegated powers and powers of attorney drafted and structured in compliance with the principle that each person must correspond to the related power of attorney and that the holder of the power of attorney is assigned the related spending powers. The Company assigns authorisation and signature powers in a manner consistent with the organisational and management responsibilities assigned, with an indication of the approval thresholds for expenses. Delegated powers and powers of attorney are periodically verified and updated.

By virtue of the powers conferred upon him by the Board of Directors, the Chairman of the Board of Directors has appointed two Company representatives for the ordinary management of the company, as specified in the notarial deed of appointment, duly registered in the Register of Companies. The related powers are to be exercised with a joint signature between them or between one of them and a director of the Company.

Legal representation of the Company and the powers connected to the obligations pursuant to Law 185/1990 have been attributed to one of them and to another representative appointed

by the Chairman of the Board of Directors, as well as those relating to art. 28 of the T.U.L.L.P.S. NMB Italia SpA is in fact registered with the National Enterprise Register at the Ministry of Defence under no. 00728 for the import, export, transit and brokerage of military goods included in category 10.d0.00.

4. Regulations and procedures adopted by the Company, which define the operating methods for carrying out the various activities, encouraging uniform behaviour within the Company. All employees are obliged to be aware of the regulations and procedures adopted and to respect them in the performance of their assigned duties.

The governance system has been strengthened and completed as required by the Model which involved:

- the adoption of the Code of Ethics: a document that sets out the fundamental values and principles which inspire NMB Italia S.r.l. and which contains the commitments and moral responsibilities in carrying out company activities and conducting business in order to preserve and spread the relationship of trust with the stakeholders of the companies (corporate bodies, personnel, customers, suppliers, financial intermediaries, etc.) and avoiding unethical behaviour;
- the appointment of the Supervisory Body: has been established to oversee compliance with the Model and its effectiveness and suitability. It is also entrusted with the task of proposing possible sanctions on the matter to the Board of Directors, as well as the dissemination and updating of the Code of Ethics.

CHAPTER 3 - ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL OF NMB ITALIA S.r.l. The aims pursued by NMB Italia S.r.l. with the adoption of the Organisational, Management and Control Model

NMB Italia S.r.l. has deemed compliant with its corporate policies to implement the Organisational, Management and Control Model.

This initiative was taken in the firm belief that, regardless of the provisions of Legislative Decree 231/2001, adoption of the Model can be a valuable tool to improve the Company's governance, limiting the risk of commission of crimes.

The main purpose of the Model is therefore, on the one hand, to prepare a structured and organic system of procedures and controls, to be carried out also in a preventive manner, aimed at preventing the commission of offences; and, on the other, to promote constant awareness of all those who work on behalf of or in the interest of the Company of behaviour that prevents the risk of committing the offences envisaged by Legislative Decree 231/2001.

In particular, the Model aims to:

- prepare a structured and organic system of preventive control procedures and activities, which, by identifying the sensitive processes and their consequent "proceduralisation", has as its objective the prevention of the risk of committing the crimes contemplated by Legislative Decree 231/2001 as well as the administrative offences referred to in art. 187 quinquies of Decree Law 58/1998;
- share and formalise the need for correct behaviour in the conduct of business by all those who work on behalf of or in the interest of the Company, in full compliance with current legislation;
- develop awareness in all those who work on behalf of or in the interest of the Company that - in the event of conduct that does not comply with company rules and procedures (as well as with the law) - they may incur in illegal acts that could attract criminal and administrative penalties, relevant not only for themselves, but also for the Company, whose disciplinary consequences are established in the individual relationships;
- promote a constant awareness on the part of employees and collaborators in adopting behaviour that prevents the risk of committing the offences envisaged by Legislative Decree 231/2001, not only because they are contrary to the provisions of the law, but also because they are contrary to the ethical and corporate principles enunciated in the Code of Ethics of NMB Italia S.r.l.;
- effectively censure any unlawful conduct, including through the constant activity of the Supervisory Body on the actions of persons with regard to Sensitive Processes and the imposition of disciplinary or contractual sanctions.

2. Work performed prior to approving the Organisational, Management and Control Model

Based on the provisions of Legislative Decree 231/2001, but also on the indications contained in the "Guidelines for the construction of organisational, management and control models ex Decree Law 231/2011" developed by Confindustria in 2002, as subsequently updated in March 2014, preparation of the "Model" was divided into the following phases:

1. in-depth, global and objective analysis of NMB Italia S.r.l. and its organisation with the definition of all activities, sub-activities and business processes; the analysis was carried out by examining the company documentation (deed of incorporation, articles of association, company organisation chart, last three approved financial statements, Code of Ethics, powers of attorney and delegated powers, risk assessment document pursuant to Legislative Decree 81/2008, etc.), as well as through interviews with key persons of the company structure and, within the individual areas or functions, with targeted interviews to define the activities performed by the various business areas, to identify and check the procedures in use and to evaluate any flaws or weaknesses in them;
2. at the end of this analysis, it was possible to identify the areas of activity and the company processes "at risk" or instrumental to the commission of the offences envisaged in Legislative Decree 231/2001 and the persons involved; it has therefore emerged that within the business of NMB Italia S.r.l. the "Sensitive Processes" (activities in which the risk of committing the offences referred to in Legislative Decree 231/2001 may in theory exist) mainly concern: dealings with the Public Administration; corporate offences; crimes relating to safety at work, computer crimes, environmental crimes (for the treatment of which reference is made to the Special Section of the Model);
3. once the "Sensitive Processes" had been identified, we continued by assessing the likelihood of crimes being committed (gross risk and net risk) and we prepared the Risk Assessment document in which we presented the results of our analyses;
4. the activities described above ended with the evaluation, construction and adjustment of the system of preventive controls, which is divided into the following components:
(i) Code of Ethics; (ii) definition of the organisational structure with precise

mechanisms of division of duties and responsibilities and the segregation of powers for each corporate function; (iii) identification, adaptation and improvement of internal procedures to make them comply with the fundamental principles of control; (iv) identification of a disciplinary system suitable for sanctioning any failure to comply with the measures indicated in the "Model"; (v) establishment of the Supervisory Body; (vi) identification of personnel training procedures.

3. Structure of the Organisational, Management and Control Model

The Organisational, Management and Control Model consists of a "GENERAL SECTION", individual "SPECIAL SECTIONS" - prepared for the various types of offences, specifically contemplated in Legislative Decree 231/2001 - as well as the "ATTACHMENTS".

The GENERAL SECTION includes:

- a brief description of the rules and principles contained in Legislative Decree 231/2001 in order to understand and clarify the concept of administrative responsibility of the institution introduced by the Decree;
- an updated list of the crimes envisaged in Legislative Decree 231/2001 with a specification of the potential sanctions;
- a description of the organisational structure of NMB Italia S.r.l.;
- the objectives pursued by the Company in adopting the Model and a description of the preparatory work;
- a description of the activities of the Supervisory Body which has the task of guaranteeing compliance with the organisational system and supervision of the work of the parties concerned;
- the system of sanctions envisaged for the violation of company rules and procedures foreseen or referred to by the Model with a view to preventing the commission of offences;
- the information and training methods with respect to the contents of the Model and the Code of Ethics.

The SPECIAL SECTION is divided into six sub-sections, the first of which relates to "crimes against the Public Administration", the second to "corporate crimes", the third to "health and safety at work", the fourth to "computer crimes", the fifth to "environmental crimes" and the last one to "other crimes".

The ATTACHMENTS form an integral part of the Model and are as follows:

Attachment A: Organisation chart

Attachment B: Code of Ethics

Attachment C: List of documented procedures in force

There are also some DOCUMENTS RELATED to the Model, to which it expressly refers, which are available at the relevant offices:

Risk Assessment Document pursuant to Legislative Decree 81/2008 - RAD -

"Activity Register - Data Processing Impact Assessment Document"

4. Adoption, update and integration of the Organisational, Management and Control Model

The Model was approved by the Board of Directors with resolution of 20/06/2018

Since the Model is an "act issued by the governing body" (in compliance with the provisions of Article 6, paragraph I, letter a) of Legislative Decree 231/2001), subsequent amendments and additions are also remitted to the competence of the Board of Directors of the Company, which can add Special Sections relating to other types of crimes which fall within the scope of application of Decree Law 231/2001 as a result of new regulations.

The Supervisory Body, which has precise tasks and powers regarding the care, development and promotion of keeping the Model constantly updated, identifies the amendments and/or integrations of the Model that may become necessary as a consequence of:

- infringements of the provisions of the Model;

- changes to the organisational structure of the Company and/or to the methods of carrying out its activities, also in relation to scientific and technological progress;
- regulatory changes;
- control results;

and proposes appropriate changes, that will be submitted to the Board of Directors for discussion and approval.

The Board of Directors then resolves on updating and adapting the Model on the basis of changes and/or additions to it.

Once the changes have been approved, NMB Italia S.r.l. makes them operational and takes care of the correct communication of the contents inside and outside the Company, without delay.

5. Integration with other control systems

NMB Italia S.r.l., supported by the Supervisory Body undertakes to integrate the Model with its other control systems in a harmonious and complementary way in order to achieve a more efficient and effective corporate organisation. In particular, NMB Italia S.r.l. strives to create a single integrated model between the provisions of the 231 compliance system and the Company's quality systems, interfacing with the certification bodies and taking their recommendations into consideration.

CHAPTER 4 - Code of Ethics

Elaboration and approval of the Code of Ethics

NMB Italia S.r.l. pays particular attention to the ethical profiles of its business.

The Company has adopted, as ethical governance instruments to which it adheres, the "Code of Conduct of the Minebea Group", approved in 2005 with the aim of pursuing correct corporate conduct and the "Guidelines for behaviour for managers and employees of the Group", approved in 2010 to ensure that all Group managers and employees share and put into practice the values indicated in the "Code of Conduct of the Minebea Group".

By resolution of the Board of Directors of 14 July 2017, NMB Italia S.r.l. then approved its Code of Ethics, which has to be considered an integral and substantial part of the Model.

While having different purposes, the rules of behaviour contained in the Model are integrated with those in the Code of Ethics: the Model meets the specific requirements contained in Legislative Decree 231/2001 with a view to preventing commission of the offences envisaged in it; the Code of Ethics, on the other hand, expresses the values and principles that inspire the Company and represents an instrument that was adopted autonomously for general application.

2. Purpose and structure of the Code of Ethics

The Code of Ethics of NMB Italia S.r.l. sets out the values in which it believes and on which it intends to engage the Company, it describes the guiding principles, expresses the duties and responsibilities to which the behaviour of the persons operating in the Company's interests must aspire.

In other words, the Code of Ethics expresses the ethical foundation of NMB Italia, it constitutes an instrument for implementing ethics within the Company and represents a public declaration of the Company's commitment to pursue the values and principles established in it.

In order to guarantee the full effectiveness of the provisions contained in the Code of Ethics, the following persons are required to comply with the ethical principles and the rules of conduct contained in it: directors, statutory auditors, managers, employees, collaborators, customers, suppliers and, more generally, any other person who, directly or indirectly, establishes relationships and collaboration with the Company in any way or who operates to achieve its objectives.

The Code of Ethics of NMB Italia S.r.l. is structured as follows:

1. PREMISES that provide a definition of the Code of Ethics and state the mission and ethical vision of the Company
2. GENERAL PRINCIPLES where the general principles that inspire the Company are stated

3. ADMINISTRATIVE MANAGEMENT AND ACCOUNTING, which summarises the guiding principles in the field of accounting

followed by the principles and rules that must characterise the work of NMB Italia S.r.l. in relationships with specifically identified persons:

4. RELATIONSHIPS WITH EMPLOYEES

5. RELATIONSHIPS WITH THIRD PARTIES

6. IMPLEMENTATION, CONTROL AND VIOLATION OF THE CODE OF ETHICS governing the dissemination of the Code of Ethics, the establishment and functioning of the Supervisory Body and the system of sanctions.

For more details, please refer to the Code of Ethics that is attached to the "Model" (Attachment B) and published on the Company's corporate website.

CHAPTER 5 - SUPERVISORY BODY (SB)

1. Composition, appointment and duration

Based on the provisions of Legislative Decree 231/2001 and the indications contained in the Guidelines, the body entrusted with the task of supervising the functioning and observance of the Model, as well as updating it must be a body of the company endowed with autonomous powers of initiative and control, whose characteristics are: autonomy and independence, professionalism and continuity of action.

The requirements of autonomy and independence require:

- the inclusion of the SB "as a staff unit in as high a hierarchical position as possible";
- the possibility for the SB to report to the highest executive level of the Company or to the Board of Directors;
- the absence, on the part of the SB, of operational tasks that - by making it a participant in decisions and operating activities - would jeopardise its objectivity.

The requirement of professionalism must refer to the "baggage of tools and techniques" necessary to effectively carry out the activity of an SB.

Continuity of action, which guarantees an effective and constant implementation of the Model, is favoured by the presence of a body specifically dedicated to supervision and "without operational tasks that can lead it to take decisions with economic-financial effects".

The Decree does not provide specific information regarding the composition of the SB; this allows entities to opt for a composition that is both mono-subjective and multi-subjective, to be modulated based on the size, type of activity and organisational complexity of the entity, providing the effectiveness of the controls is ensured.

In compliance with the indications contained in the Legislative Decree 231/2001 and in the Guidelines, taking into account its organisational structure, size and activity, NMB Italia S.r.l. decided to opt for a monocratic SB, which was established by resolution of the Board of Directors on 20/06/2018.

The term of office lasts for one year and is renewable.

In the presence of serious violations that integrate the just cause found in the performance of the SB's duties, the Board of Directors can order revocation as part of the general duty of assessing the adequacy of the organisational structure referred to in art. 2381, paragraph 3 of the Italian Civil Code, also because it is responsible for the adoption and effective implementation of the Organisational Model.

In the event of revocation, resignation, intervening incapacity, the Board of Directors must promptly appoint a new SB.

2. Eligibility requirements, causes of forfeiture and suspension

The following cannot be appointed as members of the SB:

- those who have received a conviction, even if not final, for one of the crimes foreseen in Legislative Decree 231/2001 or who have been convicted with a sentence, even if not definitive 1) to imprisonment for one of the crimes envisaged in the rules governing banking, financial, securities and insurance activities and the rules on markets, securities and payment instruments, 2) to imprisonment for one of the four crimes envisaged in Title XI of Book V of the Italian Civil Code and in Royal Decree 267 of 16 March 1942 and subsequent amendments and additions; 3) to imprisonment for a

period of not less than one year for a crime against the public administration, against public confidence (i.e. forgery), against the public economy or for a tax offence; 4) to imprisonment for a period of not less than two years for any non-culpable offence;

- those who are disqualified, banned or bankrupt.

The members of the SB are obliged to inform the Board of Directors without delay of any occurrence of even one of the aforementioned causes of ineligibility as they entail immediate termination of the appointment.

3. Functions and powers of the SB

The SB is entrusted with the task of monitoring:

- monitoring compliance with the Model on the part of Employees, Corporate Bodies, Consultants and Partners;
- the effectiveness and adequacy of the Model in relation to the corporate structure and its ability to prevent commission of the crimes under Legislative Decree 231/2001;
- whether the Model should be updated, if it needs to be adapted to changed company or regulatory conditions.

The SB also has the task of:

- promoting safeguards to avoid the commission of crimes and offences in the Company's activities;
- periodically carrying out targeted checks on certain operations or specific acts carried out by the Company, especially in the context of Sensitive Processes, whose results must be reported to the corporate bodies in charge of them;
- providing the Board of Directors with the necessary information to implement compliance with the Model in the management system;
- coordinating with other departments to monitor activities in the best way possible according to the procedures laid down in the Model. To this end, the SB has full access to all corporate documentation it deems relevant and must be constantly informed on

aspects of the Company's activity that could expose NMB Italia S.r.l. to the risk of the offences referred to in the Legislative Decree 231/2001 being committed;

- promoting awareness and information about the contents of the Model, coordinating with General Management to prepare staff training programmes and periodic communications to the Corporate Bodies, employees, collaborators, consultants, suppliers and all commercial partners in order to provide them with the necessary awareness and basic knowledge of the rules contained in Legislative Decree 231/2001; once these training programmes have been prepared, periodically checking their quality;
- coordinating with General Management to assess whether to take disciplinary action against employees (except for managers), without prejudice to the General Manager's power to impose any sanction and related disciplinary measures;
- coordinating with the Chairman of the Board of Directors to assess whether to take disciplinary action against managers, without prejudice to the Board of Directors' power to impose such measures.

To carry out the tasks assigned to it, the SB will coordinate with other corporate functions according to the various specific profiles, namely:

- with General Management to interpret the legislation, to modify or integrate the mapping of Sensitive Processes, to identify and implement the NMB Italia S.r.l.'s protection measures in all cases of violation of Legislative Decree 231/2001, for corporate obligations that could have relevance for the commission of corporate offences;
- with General Management, with regard to staff training;
- with General Management and the Statutory Auditor regarding control over financial flows and all activities, including administrative ones, that could have relevance for the commission of corporate offences;
- with the RSPP (*Responsabile Servizio Protezione e Prevenzione*), in relation to accident prevention, protection of hygiene and health and safety of workers;
- with General Management regarding environmental issues;

- with the IT manager regarding the activities related to the protection of privacy and Information Technology.

The following powers are assigned to the SB, among others, to guarantee that it is able to perform the functions and tasks indicated above:

- to access all company documents without exception, including those concerning contractual relationships and those established by the Company with third parties;
- to make use of the support and cooperation of the various corporate structures and of the corporate bodies that may be interested, or otherwise involved, in control activities;
- to give specific consultancy and assistance assignments to experienced professionals in the field of auditing and implementation of processes and procedures.

4. The SB's Regulations

The definition and identification of the aspects pertaining to the functioning of the SB - in compliance with the relevant legislation - refer to an internal operating regulation to be adopted exclusively by the SB, to ensure its total independence.

5. Information flows to the SB

For it to carry out its control and supervision functions effectively, the SB must be informed of every fact, news, circumstance that may be relevant to the Company's liability under Legislative Decree 231/2001.

Information concerning the following matters must be transmitted to it immediately:

- any proceedings or news from the police or any other authority about an investigation into the crimes under Legislative Decree 231/2001 if the investigation involves NMB Italia S.r.l., its employees, collaborators or members of the Corporate Bodies;
- any reports prepared by the managers of other corporate functions as part of their control activities;
- any information relating to disciplinary proceedings and sanctions if they relate to crimes or violation of the rules of conduct or procedures contained in the Model;

- any changes or amendments to the organisational structure of NMB Italia S.r.l., including the system of assigned and delegated powers;
- any particularly significant operation to be carried out as part of "Sensitive Processes";
- plans for training on the Model;
- minutes of inspections;
- reports of accidents relating to Safety and the Environment;
- reports issued by certification entities.

This information, as well as any other information that the SB may ask for as part of the powers assigned to it, must be sent to odv@nmb-minebea.com, by the deadline or with the frequency laid down by the SB.

6. Reports

To protect the Company's integrity, the members of the Corporate Bodies, Employees and Collaborators are allowed to present detailed reports on:

- i. unlawful conduct under Legislative Decree 231/2001, based on precise and concordant facts
- ii. violations, whoever committed by, of the Model and of the procedures referred to here

which they have come to know about as part of their functions.

The pursuit of interest in the Company's integrity and the prevention and repression of embezzlement constitute a just cause for the disclosure of news covered by secrecy under arts. 326, 622 and 623 of the Italian Criminal Code and art. 2105 of the Italian Civil Code.

Reports must be prepared promptly and must contain the following elements: the name of the person writing the report, a description of the facts to be reported (including time and place), general information or other elements that enable the person to be identified, any other persons who can report on the facts and/or documents or information as supporting evidence.

Reports have to be made in writing to one of the following addresses:

- Supervisory Body, at NMB Italia S.r.l. Via A. Grandi 39/41, Mazzo di Rho (Milan)
- odv@nmb-minebea.com

The SB guarantees that the identity of the person writing the report (or “whistleblower”) will remain confidential.

In particular:

- for reports sent by post to the above address, confidentiality is guaranteed by the insertion by the Accounting Office of communications received in a special mailbox kept at that office, provided with a key held by the SB, and by the obligation of the Office Manager to inform the SB of the arrival of any communications within 2 working days;
- for reports sent by e-mail to the above e-mail address, by activation of a specific e-mail address with access only through a password created and subsequently modified by the SB and known only to its members.

NMB Italia S.r.l. guarantees that nobody at the Company will be subject to retaliation, illicit conditioning, inconvenience and discrimination for having reported possible violations.

In fact, in compliance with current legislation, NMB Italia S.r.l. prohibits acts of retaliation or discriminatory measures, whether direct or indirect, against the "whistleblower" for reasons connected directly or indirectly to the report.

The adoption of discriminatory measures against whistleblowers can be reported to the National Labour Inspectorate for the measures under their jurisdiction, both by the whistleblower and by their chosen trade union organisation.

Retaliatory or discriminatory dismissal of the whistleblower is void, as is the change in duties and any other retaliatory or discriminatory measure taken against the whistleblower.

Consultants and business partners are also permitted to report significant illegal conduct under Legislative Decree 231/2001 or violations of the Model that they have come to know about in their relations with the Company, using the same channels as indicated above.

The Supervisory Body is required to check the reports that it receives promptly and, if the report is found to have substance, report to the Company for appropriate action.

It is up to the SB to interview the whistleblower and anyone else involved.

7. Information flows to the Company

With regard to implementation of the Model and any critical issues that may have emerged, the SB reports on an ongoing basis to General Management and to the Chairman of the Board of Directors and periodically to the Board of Directors, to which it has to send a report once a year concerning the results of its activities (indicating, in particular, the reviews performed and their outcome, the specific checks carried out and their outcome, any request to update the mapping of Sensitive Processes and the Model, any critical issues and ideas for improvement).

8. SB's documentation

The SB is obliged to keep minutes of its meetings, all documents received and reports in a special closed archive accessible only to it.

9. Confidentiality

The SB is obliged to maintain the utmost confidentiality and secrecy regarding all of the information and news received in carrying out its duties.

CHAPTER 6 - TRAINING OF EMPLOYEES AND COMMUNICATION OF THE ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

1. Premises

In order to implement the Model correctly and effectively, NMB Italia S.r.l. promotes dissemination of its contents and principles within the Company, also to achieve and spread the values of compliance with current legislation, transparency, the ethical nature of work and the effectiveness of the action taken.

In this perspective, it also makes every effort to ensure that the principles of the Model are shared not only within the Company, but also with all those who work with the Company on the basis of contractual relationships without being employees.

2. Initial communication

The Board of Directors and General Management have constantly followed all phases of the project to adopt the Model, analysing and agreeing on all of the elements making up the Model. Moreover, these elements were subject to prior in-depth analysis by the Board of Directors and subsequently approved by it with a special resolution of 20/06/2018, as shown in the minutes transcribed into the board minute book. At the meeting, each member of the Board of Directors expressly declared that they were committed to complying with the Model.

All employees, consultants and collaborators of NMB Italia S.r.l. are provided with a copy of the Model on the company intranet.

New hires are informed that all of the documentation they need is available on the company intranet (Organisational Model, Legislative Decree 231/2001, Quality System, etc.), to ensure that they are able to gain full knowledge of the Model, which is considered of primary importance.

On receiving their copy of the Model, all of these persons sign a specific declaration of full acknowledgement and acceptance, undertaking to respect the principles, rules and procedures contained in it during the performance of their duties.

General Management keeps a documentary record of the communication and the related declarations of commitment.

A copy of the Model (General Section) and of the Code of Ethics can be found on the Company's website at the following address: www.nmbitalia.it.

Another copy of the Model (General Section - Special Sections) is also posted inside the Company's premises in a place accessible to everyone.

Contracts with collaborators and consultants contain termination clauses that can be applied by NMB Italia S.r.l. in the case of conduct in contrast with the guidelines of the Model that might entail the risk of offences being committed under Legislative Decree 231/2001.

3. Training of employees

To implement the Model correctly and effectively, there has to be a period of staff training and dissemination of the principles, rules and procedures contained in the Model to everyone working in the Company.

It is therefore the Company's primary objective to guarantee correct and complete knowledge of the rules of conduct and behaviour envisaged in the Model, for resources already in the Company and for those who will join later.

Training to spread knowledge of the legislation (Legislative Decree 231/2001), the "Model" and the Code of Ethics is carried out by organising courses, seminars or other initiatives, also with the use of IT resources. This is done by the internal component of the SB with the support of the Human Resources Department.

Participation in training activities is mandatory; they must be differentiated according to the role and responsibilities of the persons involved; more intense and in-depth training is foreseen for "apical" persons as well as for those working in "sensitive processes". Particular importance is given to the training and formation of those with duties in the field of safety at work.

The SB carries out checks on the effectiveness of training and information initiatives, their frequency and effectiveness, and proposes any supplementary or support activities that may be more suitable.

4. Communication to suppliers

Suppliers must be informed of the content of the Model and the requirement of NMB Italia S.r.l. that their behaviour complies with the provisions of Legislative Decree 231/2001.

All suppliers are notified of the adoption of the Model, informing them of the availability of the Model (General Section) and of the Code of Ethics on the Company's website. They are

required to sign a specific declaration of acknowledgement, acceptance and commitment to comply with the principles, rules and procedures contained in them, in the performance of their duties relating to any activity that may take place in the Company's interest.

The contracts of Suppliers stipulated and/or renewed after the adoption of the Model must also contain termination clauses that can be applied by NMB Italia S.r.l. in the event of behaviour in contrast with the lines of conduct indicated in the Model, which could involve the risk of commission of the crimes referred to in Legislative Decree 231/2001.

CHAPTER 7 - DISCIPLINARY SYSTEM

1. General principles

Articles 6, paragraph II, letter e) and 7, paragraph IV, letter b) of Legislative Decree 231/2001 impose the preparation of "*a disciplinary system suitable to sanction failure to comply with the measures indicated in the Model*" on the part of persons in an apical position and those subject to the direction of others. Definition of an adequate disciplinary system therefore becomes an essential requirement of the Model for the purpose of exemption from liability.

The Guidelines also gave central importance to the disciplinary system, dedicating a special section to it and identifying a minimum content.

Application of the disciplinary system presupposes a simple violation of the rules and provisions contained in the Model; it will therefore be activated independently of any criminal trial initiated by the judicial authority, as the rules of conduct imposed by the Model are autonomously assumed by the Company, regardless of the type of offence that violations of the Model may determine.

The following represent a violation of the Model:

1. actions or types of conduct that do not comply with the Code of Ethics, the Model and the procedures referred to in them;
2. missing, incomplete or untrue documentation of the activities carried out in each of the sensitive processes, as prescribed in the procedures referred to in the Model;
3. violation of the requirements to provide information to the SB;

4. obstructing controls, creating an unjustified impediment to access to information and documentation to the persons in charge of controlling the procedures and to the SB, or other conduct capable of violating or circumventing the control systems envisaged in the Model;
5. omission or violation of any prescription of the Model aimed at guaranteeing safety and health at work;
6. actions or types of conduct or their omission, which
 - expose the Company to an objective situation of risk of commission of one of the crimes envisaged in Legislative Decree 231/2001 and subsequent additions;
 - are directly connected to perpetration of one of these crimes;
 - are such as to determine the application of sanctions provided for in Legislative Decree 231/2001 to be borne by the Company.

Furthermore, the following constitute violations of the Model and therefore punishable behaviour:

- violation of the protection measures for whistleblowers envisaged for the reports regulated by chapter 5 paragraph 5.6;
- the conduct of those who, with intent or gross negligence, make reports referred to in Chapter 5, paragraph 5.6, which prove to be unfounded.

In applying the sanctions, account will be taken, inter alia:

- of the intentional nature and gravity of the behaviour;
- of the degree of negligence, imprudence or inexperience, also with regard to the predictability of the event;
- of the overall behaviour of the person, with particular regard to whether there have been previous disciplinary measures;
- of the duties performed;
- of the functional position of the person.

2. Measures against Employees

The notice of violation of the Model marks the start of the procedure for ascertaining the non-observance of duties by employees established by the current CCNL (national labour contract), as the conduct of employees in violation of the behavioural rules laid down in the Model are considered disciplinary offences.

The disciplinary measures which can be applied to employees - in compliance with the procedures set out in art. 7 of Law 300 of 30 May 1970 (Workers' Statute) and any applicable special regulations - are those provided for in the sanctions system of the CCNL and Italian Civil Code:

- verbal reprimand;
- written reprimand;
- fine;
- suspension from work and salary;
- dismissal with or without prior notice (even subject to precautionary suspension, if necessary).

As regards ascertaining the infringements, disciplinary proceedings and imposition of the sanctions, the powers already conferred to NMB Italia S.r.l. and to General Management remain unchanged, within the limits of their respective spheres of competence, the latter will also provide communication to the Supervisory Body.

The penalties and any claim for damages will be commensurate with the level of responsibility of the employee, the possible existence of disciplinary precedents against them, the intentional nature of their behaviour and its gravity, this being the level of risk to which the Company can reasonably be considered exposed - pursuant to Legislative Decree 231/2001 - as a result of the conduct being punished.

3. Measures against Managers

In the case of violation by managers of the procedures established by the Model or adoption, in the performance of activities connected with "Sensitive Processes", of behaviour not in compliance with the provisions of the Model, including violation of the obligations to supervise members of staff, NMB Italia S.r.l. will apply to those responsible the most suitable measures according to the provisions of the CCNL applied by it. Where the violation is of such gravity that the relationship of trust is lost, the penalty is dismissal for just cause.

4. Sanctions against Directors

In the case of violation of the Model by one or more members of the Board of Directors, the Supervisory Body shall immediately notify the Board of Directors and the Statutory Auditor. Following the necessary investigations, the Board of Directors, after consulting with the Statutory Auditor, will proceed to call a Shareholders' Meeting to adopt the appropriate measures envisaged by the law.

5. Measures against the Statutory Auditor

In the case of violation of the Model by the Statutory Auditor, the Supervisory Body must notify the Board of Directors immediately. Following the necessary investigations, the Board of Directors will proceed to call a Shareholders' Meeting to adopt the appropriate measures envisaged by the law.

6. Measures against other Recipients

Any behaviour by collaborators, consultants and business partners in contrast with the principles and policies of the Model that could entail the risk of crimes being committed pursuant to Legislative Decree 231/2001 may lead to termination of the relationship or any other sanction specifically envisaged in the contract under the circumstances, without prejudice to any claim for damages if the conduct results in concrete damage to NMB Italia S.r.l.