

ORGANISATION, MANAGEMENT

AND CONTROL MODEL

IN ACCORDANCE WITH LEGISLATIVE DECREE 231/2001

GENERAL PART

Fondazione Amplifon ETS

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INTRODUCTION

1.1. Definitions

In this document, the following terms have the meaning indicated below:

- **“Activities at risk of crime”**: the process, operation, act, or combination of operations and acts, which may expose the Foundation to the risk of an offence being committed.
- **“Area at risk of crime”**: the operational area or function of the Amplifon Foundation in which the activities at risk of crime are performed.
- **“CCNL”**: the National Collective Labour Agreement applicable to employees of the Amplifon Foundation.
- **“Code of Ethics”**: the document officially approved by the senior management at Amplifon Foundation, which sets out the Foundation's policy and the ethical principles of conduct or, more specifically, the guidelines, obligations and/or prohibitions which the Recipients must observe, the violation of which is subject to penalties.
- **“Italian Legislative Decree 231/2001” or “Decree”**: Italian Legislative Decree No. 231 of 8 June 2001 *“Regulation pertaining to the administrative liability of legal persons, companies and associations including those without legal status, pursuant to Article 11 of Law No. 300 of 29 September 2000”*, published in the Official Gazette no. 140 of 19 June 2001, as amended.
- **“Recipients”**: members of the governing bodies, employees, personnel, agents, representatives, outsourcers and other parties with whom Amplifon foundation comes into contact in the conduct of its institutional relations.
- **“Employees”**: all natural persons who have a subordinate employment relationship with Amplifon Foundation pursuant to the Italian Civil Code.
- **“Guidelines”**: the guidelines published by Confindustria on the drafting of organisation, management and control models in accordance with Legislative Decree 231/2001, which have been followed in the preparation and adoption of the Model, as well as those of Assobiomedica.
- **“Organisation, Management and Control Model pursuant to Legislative Decree 231/2001” or “Model”**: the organisation, management and control model deemed by the governing bodies to be appropriate for the prevention of offences and, therefore, adopted by Amplifon Foundation, pursuant to Articles 6 and 7 of the Decree, in order to prevent the commission of the offences by executive or subordinate personnel, as described in this document and the related annexes.
- **“Governing bodies”**: the Board of Directors and/or the Audit Board of Amplifon Foundation, depending on the meaning of the phrase in question.
- **“Supervisory Body” or “SB”**: the body provided for by Article 6 of the Decree, that is tasked with monitoring the efficiency and effectiveness of the Organisation, Management and Control Model, as well as the updating of the same.
- **“Personnel”**: all natural persons who have an employment relationship with Amplifon Foundation, including employees, temporary workers, collaborators, “interns” and freelancers who have been engaged by Amplifon Foundation.

- **“Executive personnel”**: the persons referred to in Article 5, paragraph 1, letter a) of the Decree, or those who perform representation, executive or management functions in Amplifon Foundation or one of its financially and functionally independent organisational units. In particular, this refers to the members of the board of directors, its chairman, the managing director, senior executives and representatives.
- **“Subordinate personnel”**: the persons referred to in Article 5, paragraph 1, letter b) of the Decree, or all personnel working under the direction or supervision of executive personnel.
- **“Protocol”**: the organisational, physical and/or logical measure, as updated/modified from time to time, provided for by the Model in order to prevent the commission of one or more offences.
- **“Offences/crimes”** or **“offence/crime”**: the set of offences or crimes, or the individual offence or crime, referred to in the Decree, as may be amended in the future.
- **“Foundation”** or **“Amplifon Foundation”**: English translation of Fondazione Amplifon ETS (ETS =Third Sector Entity)

1.2. Legislative Decree No. 231 of 8 June 2001.

Approval of Legislative Decree No. 231 of 8 June 2001 (**Annex 1**) marked the introduction in Italy of the administrative liability of entities arising due to the commission of criminal offences, as part of a process initiated by the European Union.

The Decree came into force on 4 July 2001, introducing for the first time in Italy a particular form of liability on the part of entities for certain offences committed in the interest or for the benefit of their personnel (senior management, employees, etc.). This liability is in addition to that of the natural person that commits the offence.

Punishments for certain criminal offences under the new liability regime, therefore, involve the assets of entities that have benefitted from the commission of the offences in question. In fact, if an offence is committed, a fine is always imposed on the entity and interdictory measures are also envisaged in serious cases, such as the suspension or revocation of concessions and licenses, disqualification from professional activity, prohibition on contracting with the Public Administration, exclusion or revocation of funding and grants, prohibition of advertising goods and services, and placing the entity under administration.

For the sake of clarity, the offences referred to in the Decree, or the offences giving rise to the administrative liability of the entity, can be categorised as follows:

- √ offences in dealings with the Public Administration (such as embezzlement, bribery, extortion, unlawful inducement to give or promise benefits, influence peddling, abuse of office, smuggling, misappropriation against the State, fraud against the State, undue receipt of funds and computer fraud against the State) as referred to in Articles 24 and 25 of the Decree;
- √ computer and data processing offences (such as unauthorised access to a computer or telematic system, installation of equipment to intercept, prevent or interrupt computer or telematic communications, damage to computer or telematic systems) as referred to in Article 24 bis of the Decree;
- √ offences related to organised crime (e.g. mafia-type associations – Italian or otherwise, mafia-related vote exchange in political elections, kidnapping for the purpose of extortion) as referred to in Article 24 ter of the Decree;
- √ crimes against the public trust (such as counterfeiting of coins, banknotes and other legal tender, tax stamps, or falsifying distinctive marks or means of identification) as referred to in Article 25 bis of the Decree;
- √ crimes against industry and trade (such as interference with the freedom of industry and trade, commercial fraud, sale of industrial products with false markings) as referred to in Article 25 bis.1 of the Decree;
- √ corporate offences (such as false corporate reporting, obstruction of control activities, unlawful influence on the shareholders' meeting) as referred to in Article 25 ter of the Decree;
- √ offences relating to terrorism and subversion of the democratic order as referred to in Article 25 quater of the Decree;
- √ crimes against the individual (such as human trafficking, enslavement) as referred to in Article 25 quater.1 and Article 25 quinquies of the Decree;
- √ market abuse offences (such as insider dealing and market manipulation) as referred to in Article 25 sexies of the Decree;
- √ transnational crimes (such as association for the purpose of committing crimes and obstruction of justice), provided that they meet the requirement of “transnationality”;

√ offences relating to occupational health and safety (manslaughter and serious personal injury through negligence) as referred to in Article 25 septies of the Decree;

√ offences of receiving stolen goods, money laundering and utilisation of money, goods, or benefits of unlawful origin, as referred to in Article 25 octies of the Decree;

√ offences relating to copyright infringement as referred to in Article 25 novies of the Decree;

√ crime of inducement to not make statements or to make false statements to the judicial authorities, as referred to in Article 25 decies of the Decree;

√ environmental offences, as referred to in Article 25 undecies of the Decree;

√ offences relating to the employment of third-country nationals who are unlawfully in the country as well as to facilitating unlawful entry and illegal immigration, as referred to in Article 25 duodecies of the Decree;

√ crimes of propaganda and incitement to racism and xenophobia, as referred to in Article 25 terdecies of the Decree;

√ offences relating to fraud in sports competitions, unlawful gambling or betting and games of chance played using prohibited devices, as referred to in Article 25 quaterdecies of the Decree;

√ tax offences as referred to in Article 25 quinquiesdecies of the Decree.

As anticipated, pursuant to Article 5 of the Decree, “*the entity is liable for crimes committed in its interest or for its own benefit*”. However, the entity is not liable if the perpetrators of the crime have acted in their own exclusive interest or that of third parties. In addition, in accordance with Article 5 of the Decree, an important role must be played by:

➤ persons who perform representative, administration or management functions for the entity or one of its financially and functionally independent organisational units, as well as by persons who exercise, even de facto, management and control over the same;

➤ persons subject to the management or supervision of one of the persons referred to in letter a).

It is not necessarily the case that liability for the commission of a crime always lies with the entity. It was deemed appropriate that the entity be permitted to demonstrate, in advance, its complete lack of involvement in the crime. To this end, it is necessary to adopt models of conduct specifically calibrated to the crime risk which, through the establishment of rules of conduct, are aimed at preventing the commission of certain crimes.

In order to ensure the entity’s exemption from liability, it is essential that the model adopted is effectively implemented.

In other words, the entity will be specifically at fault if the offence committed by one of its bodies or subordinates was part of a decision taken by the entity or if the offence is the result of the fact that the entity does not have an appropriate organisational model for preventing such offences, or if there has been a lack of or insufficient supervision in this regard by the bodies with control powers (so-called “organisational fault”). In this case, the entity is responsible for demonstrating the effectiveness of the model.

In this regard, Article 6 of the Decree establishes that the entity's liability is excluded if, prior to the commission of the offence, it has adopted and effectively implemented an appropriate “*organisation and management model for preventing offences of the kind committed*”.

The same provision also provides for the establishment of an “*internal control body*” tasked with monitoring the operation, effectiveness and observance of the model, as well as its updating.

The organisational models must therefore meet the following requirements:

- Identify activities at risk of crime;
- Provide specific protocols for the prevention of crimes;
- Determine, for the purpose of crime prevention, how financial resources will be managed;
- Require the provision of information to the body tasked with monitoring the operation of and compliance with the models;
- Establish an appropriate internal disciplinary system to punish non-compliance with the measures set out in the model.

In conclusion, in the event of offences committed by executive personnel, the entity will not be liable if it proves that:

- (i) prior to the commission of the offence, the governing body had adopted and effectively implemented an appropriate organisation and management model for preventing offences of the kind committed;
- (ii) the task of supervising the functioning of and compliance with the models and ensuring that they are kept up-to-date has been entrusted to a body of the entity with autonomous powers of initiative and control (the Supervisory Body);
- (iii) the Supervisory Body neither failed to carry out its supervisory duties nor performed such duties inadequately with regard to the model;
- (iv) the perpetrators committed the offence by fraudulently circumventing the model.

If, however, the offence is committed by persons subject to the management or supervision of executive personnel, the entity will be liable for the offence only if it has been deficient in its management and supervision obligations and this deficiency will be excluded if, prior to the commission of the offence, the entity has adopted an appropriate organisation, management and control model for preventing offences of the kind committed. The burden of proof is, in this case, is on the investigating party.

1.3. *Guidelines issued by trade associations.*

Article 6 of the Decree provides that the organisation and management models may be adopted based on codes of conduct drawn up by the representative associations of the entities, communicated to the Ministry of Justice.

In light of the above, the Foundation, in preparing this document, has taken into account the “ Guidelines on the drafting of organisation, management and control models”, approved on 7 March 2002 and updated in June 2021 by Confindustria, the latest version of which is hereto attached (**Annex 2**). The Assobiomedica Guidelines were also taken into account, in consideration of the sector in which the Foundation operates.

Taking into consideration also the Foundation’s status as a non-profit organisation rather than a commercial company and the absence of guidelines specifically applicable to this category, it is understood that any differences between the model adopted and certain specific indications referred to in the Guidelines do not affect the correctness and validity of the same. The Guidelines, in fact, by their very nature, are general, whereas the Model must be prepared with reference to the specific circumstances of the Foundation.

RESPONSIBILITY AND DECISION-MAKING POWERS WITH REGARD TO THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

Pursuant to Article 6, paragraph 1, letter a) of the Decree, it is the company's executive leadership that is responsible for the adoption and effective implementation of the Model.

The Board of Directors at Amplifon Foundation therefore has the obligation and consequently the power to approve, supplement and amend, through a specific resolution, the key principles set out in this document and in the related annexes, which are an integral, albeit introductory, part of the Model adopted by the Foundation.

Consequently, the Foundation's Board of Directors will be responsible for taking decisions on subsequent amendments and additions to the Model, albeit at the request of the Supervisory Board, as indicated below.

The Board of Directors will be responsible for taking the necessary steps to implement the Model, evaluating and approving the actions necessary for the implementation of the fundamental principles of the same. In order to determine the necessary actions, it will make use of the support and information provided by the Supervisory Body.

The Foundation's Board of Directors must also ensure the implementation and effective compliance with preventive protocols in business areas "at risk of crime", also in relation to future adaptation requirements. To this end, the Board of Directors is assisted by:

- the persons in charge of the various functions of the Foundation in relation to the activities at risk of crime carried out by the same;
- the Supervisory Body, which has autonomous powers of initiative and control over activities at risk of crime.

ORGANISATION, MANAGEMENT AND CONTROL MODEL OF AMPLIFON FOUNDATION

2.1. Main features of the Model.

In addition to allowing the Foundation to benefit from the exemption provided for by Legislative Decree 231/2001, the Board considers that the adoption and effective implementation of the Model should also improve corporate governance, thus reducing the risk of offences being committed.

The Board of Directors is also convinced that the Model, without prejudice to its specific purpose and the necessary compliance with legal requirements, must be based on the specific circumstances of the Foundation. In particular, it envisages the introduction of a system of internal controls specifically aimed at ensuring the compliance of internal practices with ethical standards and the proper and lawful performance of activities.

To this end, with regard to organisational aspects, Amplifon Foundation has created a formal internal organisation chart, which clearly shows the assigned roles, functions, responsibilities and hierarchical reporting lines within the organisation. Therefore, as suggested by the Guidelines, the Organisation and Management Model formalises and clarifies the allocation of responsibilities, the hierarchical reporting lines and the description of tasks, with specific provision for control principles such as, for example, the existence of a system of checks and balances.

The Model involves every aspect of the Foundation's activity, making a clear distinction between operational and control tasks, with a view to ensuring that situations where there is a potential conflict of interest are properly managed. The controls involve, with different roles and at different levels, the Board of Directors, the Audit Board, the new Supervisory Body, all personnel and, where deemed feasible and effective, the systems, thus representing an essential aspect of the Foundation's daily activities.

The Model therefore represents a structured and organic system of processes, procedures and control activities

(preventive and *ex-post*), the aim of which is to ensure that the risk of crimes being committed is more effectively managed, identifying the activities at risk of crime and consequently putting the necessary procedures in place.

Following an analysis of the organisational and management context, Amplifon Foundation has identified the internal “macro-organisational processes” and broken them down into operating procedures, regulations and protocols.

Every aspect of the internal organisation has been formalised and the personnel have received the relative information and the necessary training. **Annex 3** contains the operational Protocols that supplement those contained in the Special Part where referred to.

The Protocols regulate the performance of the activities, providing for appropriate controls and adequate levels of security in relation to the main processes. Furthermore, the processes have been designed, where possible, to ensure the separation of tasks among those who carry out crucial activities of a process at risk, taking into account the principles of transparency and verifiability.

With regard to financial management, where the procedural control entails the use of established tools, preventive protocols have been adopted, including joint signatures (for amounts exceeding those the Chief Executive Officer is authorised to approve), a spending limit for the Foundation Manager, frequent reconciliations between payments and underlying documentation by the Treasurer, a resolution of the Board of Directors for projects relating to institutional activity, supervision and authorisations - mostly written, separation of tasks with the aforementioned system of checks and balances.

Authorisation and signing powers have been assigned in line with the organisational and management responsibilities defined, providing, when required, a clear indication of expenditure approval thresholds.

Within the organisational system, specific attention has been paid to employee reward systems to ensure that they are stimulating but achievable, avoiding clearly unreasonable and unattainable targets, which could constitute an incentive to commit an offence.

With regard to governance, the current Model, which has been appropriately adapted, complies with the law and the best practices of the commercial sector.

In any case, under the Model, nobody is granted unlimited powers and appropriate measures are taken so that the powers and responsibilities are clearly defined and known within the organisation. To this end, nobody may independently manage an entire process and each transaction must be adequately documented so that, at any time, checks can be performed to confirm the characteristics of and reasons for the transaction, as well as to identify who authorised, performed, recorded and verified it.

In line with the above, it should be added that the Foundation was formed by the company Amplifon Spa, part of the Amplifon Group, which operates in the field of the design, application and marketing of hearing equipment. Founded in Milan in 1950, it has been listed on the Milan Stock Exchange since 2001. Amplifon Foundation was created by Amplifon in 2020, on the occasion of its 70th anniversary, with the aim of giving back to the community. The Foundation is a non-profit organisation that pursues the goal, in Italy and/or abroad, of facilitating social inclusion and helping people reach their full potential. It is aimed at people who are socially marginalised or who are at risk of becoming so, with a particular focus on young people with hearing loss and on the elderly in local communities. This Model takes into account, to the extent applicable, the strict ethical principles and procedures promoted globally by the Amplifon Group, supplementing them with specific protocols applicable to the Foundation.

With regard to the “control” aspects, the Model provides for the establishment of an independent Supervisory Body and ensures the integration and coordination of its activities with the already existing system of internal controls, drawing on the experience gained. The Model does not modify the functions, tasks, and pre-existing objectives of the control system, but aims to provide greater guarantees on the compliance of the Foundation’s

institutional activities with the Code of Ethics and with the provisions governing the activities at risk of crime. Finally, also in terms of control activities, the Model provides for the obligation to document (possibly through drafting of the relative reports) the audits and controls performed.

2.2. Evaluation of the Model.

With reference to the “requirements” identified by the legislator in the Decree and further detailed in the Guidelines, Amplifon Foundation’s Board of Directors have determined that the following activities should be performed in order to evaluate the Model:

- determine the scope of the operations to be included in the Model and carry out detailed mapping of the activities at risk of crime to be analysed and monitored;
- analyse the Protocols in place with reference to activities at risk of crime and define any actions to be implemented in order to ensure compliance with the provisions of the Decree. In this context, particular attention must be paid to:
 - defining ethical principles in relation to conduct that may constitute the offences contemplated by the Decree;
 - defining the Foundation's processes which, theoretically, provide the conditions, opportunities or means for the commission of offences; ○ defining the personnel training methods;
 - defining the information to be provided to outsourcers and other third parties with whom the Foundation comes into contact;
 - defining and applying appropriate disciplinary provisions to punish non-compliance with the measures set out in the Model and to serve as a suitable deterrent;
- identify the Supervisory Body and assign it specific tasks to supervise the effective and correct functioning of the Model;
- define the information flows to the Supervisory Body.

The following sections illustrate in detail the principles deemed by the Foundation's Board of Directors as essential for the effective implementation of an appropriate model for preventing the commission of the offences referred to in the Decree.

3.1. Map of activities at risk of crime.

As part of a programme of systematic and organised initiatives for the adoption of the Model, the main risks/offences and the possible ways that they may arise/be committed must be identified through an analysis of all the organisational units of Amplifon Foundation.

In order to identify activities at risk of crime, it is first necessary to determine the scope of application of the subjective requirements of the Decree. In particular, it is necessary to identify the persons whose unlawful conduct could give rise to the liability of the Amplifon Foundation.

More specifically:

- Executive personnel;
- Subordinate personnel.

With regard to the subjective requirements for the application of the provision in question also to parties unrelated to the organisation but with whom the Foundation has stable and continuous relationships, it is necessary to verify whether, in relation to these parties, there effectively exists:

- powers of direction, namely the power of Amplifon Foundation to issue specific and binding orders and directives concerning the execution of the assigned task and the methods of implementation;
- powers of control over the different phases of the work performed;
- disciplinary powers.

The mapping activity makes it possible to:

- initially identify the organisational units that, in consideration of the tasks and responsibilities assigned, could potentially be involved in activities at risk of crime;
- identify the manner in which the risk/offence may materialise/be committed;
- assess the crime risks and, consequently, to organise a targeted action plan based on the awareness of current risks (Gap Analysis/Master Plan).

4.1. Code of Ethics.

Among the main Protocols adopted by the Foundation is the Code of Ethics, the principles of which are made effective through the adoption of and integration with the Model (**Annex 4**).

The Amplifon Foundation Code of Ethics is general in scope as it contains a series of “corporate ethics” principles to which the Amplifon Foundation adheres and which are to be observed by all its personnel and all those who, including outside the Foundation, cooperate in the pursuit of the Foundation’s institutional goals.

Amplifon Foundation is committed to ensuring that information on the regulatory framework and the behavioural and procedural rules to be followed is effectively distributed both internally and among its collaborators, in order to ensure that the Foundation’s activities are conducted in compliance with the principles of the Code of Ethics.

The Code of Ethics will be periodically updated and possibly expanded both in line with new legislation and as a result of changes in the operations of the Foundation and/or its internal organisation.

5.1. Sensitive processes.

The mapping of the at-risk areas and activities has made it possible to define the sensitive processes and the relative phases, sub-phases or related activities that could generate the conditions, circumstances or means for the commission of offences, or be instrumental to the actual commission of an offence.

With regard to these processes, the Board of Directors considers it absolutely necessary and a matter of priority that all sensitive “business” processes conform to the following general principles (to be understood as general protocols):

- separation of tasks through the appropriate distribution of responsibilities and establishing adequate levels of authorisation, with a view to avoiding functional overlaps or operational allocations that concentrate critical activities on a single individual;

- clear and formalised allocation of powers and responsibilities, with an express indication of the limits on any powers granted and in accordance with the duties assigned and the positions held within the organisational structure;
- existence of appropriate rules of conduct to guarantee the performance of activities in compliance with the laws and regulations and the integrity of the Foundation's assets;
- “proceduralisation” of the activities at risk of crime, in order to:
 - define and regulate the methods and time scales for performing the activities;
 - guarantee the traceability of documents, operations and transactions through adequate documentary evidence that confirms the characteristics and reasons for the operation and identifies the persons involved in the same (those who authorised, performed, recorded and verified it);
 - ensure, where necessary, the “objectivation” of decision-making processes and limit company decisions based on subjective choices not linked to predefined objective criteria;
- establishment, execution and documentation of control and supervision activities on processes and activities at risk of crime;
- existence of security mechanisms that guarantee adequate protection of information from physical or logical access to data and assets of the information system, in particular with regard to management and accounting systems.

6.1 Employee training and information.

Amplifon Foundation, aware of the importance of the training and information aspects as a Protocol of primary importance, will act to ensure that its personnel are aware of the content of both the Model and the Decree along with the obligations arising therefrom.

For the purposes of implementing the Model, training and other activities to inform and raise the awareness of personnel are managed by the Board of Directors and the Chief Executive Officer in close coordination with the Supervisory Body and other function managers involved in the application of the Model.

The training, awareness-raising and information activities concern all personnel, including executive personnel.

The information and training activities must be planned and delivered upon recruitment or at the start of the employment relationship and in the event of any changes in the person’s role or to the Model, or due to factual or legal circumstances that determine the need for further training in order to guarantee the correct application of the provisions provided for in the Decree.

In particular, following the approval of this document:

- an initial communication will be sent out concerning the adoption of the Model to all currently employed personnel;
- new employees will be given an information pack containing (in addition to the material on company policies or procedures, such as privacy, information security, occupational health and safety) the National Collective Labour Agreement, a copy of Legislative Decree 231/2001, this “*Organisation, management and control model pursuant to Legislative Decree 231/2001*” and the Code of Ethics with its annexes, to ensure that they have the information considered to be of primary importance;
- employees must sign a specific form for acknowledgement and acceptance;

- specific training activities will be carried out.

In addition to the Code of Ethics, the training and information provided must also cover aspects such as authorisation powers, hierarchical reporting lines, procedures, information flows and anything else that contributes to transparency in daily operations.

All training and information provided reflect the requirement of the Board of Directors to obtain the maximum participation and attention of the recipients.

In order to ensure the effective dissemination of the Model and the provision of information to personnel with reference to the Decree and the obligations arising from implementation of the same, a specific area of the organisation's IT network will be set up for this purpose and updated by Amplifon Foundation's Board of Directors (where, in addition to the documents that make up the aforementioned information pack, the forms and tools for reporting to the Supervisory Body and any other relevant documentation can be found).

6.2. Information provided to third parties.

The Chief Executive Officer and the Foundation Manager, in coordination with the Supervisory Body, provide other recipients, in particular suppliers and consultants, with specific information on the policies and procedures adopted by Amplifon Foundation based on the Model and the Code of Ethics, as well as information on the consequences that any breach of the provisions of the Model, the Code of Ethics or current laws may have with regard to contractual relationships.

Where possible, specific clauses are included in the contracts to regulate these consequences, such as termination clauses or rights of withdrawal in the event of conduct contrary to the provisions of the Code of Ethics and/or Model Protocols.

7.1. Disciplinary system guidelines.

In order to ensure the effectiveness of the Model and the efficient operation of the Supervisory Body, it is necessary to define a system of penalties commensurate with the relative violation of the Model and the Protocols and/or related provisions of the Model and the Code of Ethics. In fact, pursuant to Article 6, paragraph 2, letter e) of Legislative Decree 231/2001, this disciplinary system constitutes an essential requirement for the purposes of the Foundation's exemption from liability (**Annex 5**).

The disciplinary system must provide for sanctions for each Recipient, taking into account the different types of relationships they have with the Foundation. The system, as well as the Model, is in fact aimed at all personnel including executive personnel, collaborators and third parties working on behalf of the Foundation, providing for appropriate penalties of a disciplinary nature in some cases, and of a contractual/commercial nature, in others.

The application of the disciplinary system and the related penalties is independent of the existence and outcome of legal proceedings that may be brought by a judicial authority in the event that the conduct to be punished also constitutes an offence under Legislative Decree 231/2001.

In order to explain the criteria for correlating employee misconduct with the disciplinary measures adopted, the Board of Directors classifies the actions of directors, employees and other third parties as follows:

1. conduct that indicates a failure to carry out the orders given by the Foundation both in writing and verbally in the performance of activities at risk of crime, such as, for example:

- violation of procedures, regulations, and internal instructions, whether written or verbal;
- violation of the Code of Ethics;

- violation, circumvention or negligent deactivation of one or more Protocols;
2. conduct that indicates a serious breach of the rules and/or professional diligence requirements that radically undermines the Foundation's trust in the director and/or employee, such as:
 - the adoption, in the performance of activities at risk of crime, of the conduct referred to in point 1 aimed unequivocally at carrying out of an offence or at giving the appearance of doing so, to the detriment of the Foundation;
 3. conduct that causes serious moral or material damage to Amplifon Foundation and is such that the relationship cannot continue, even temporarily, such as conduct that constitutes one or more offences or is related to unlawful acts that constitute offences, or the conduct referred to in point 1 when performed with intent.
 4. conduct that constitutes a violation of the provisions on whistleblowing.

8.1. Penalties for employees.

With regard to employees, the limits on the disciplinary power imposed by Article 7 of Law 300/1970 (“Workers' Statute”) and by the CCNL for Trade must be respected, both with regard to the applicable penalties (which in principle are typified based on their relation to specific disciplinary offences) and in respect of the way in which this power is exercised.

The Board of Directors considers that the disciplinary system currently applied in the Foundation, in line with the provisions of the current CCNL for Trade, meets the necessary requirements of effectiveness and deterrence.

Any Foundation employee that fails to comply with or violates the general principles of the Model, the rules of conduct imposed by the Code of Ethics or the procedures, regulations or instructions of the Foundation shall be deemed as having failed to comply with the obligations arising from the employment relationship, which is a disciplinary offence.

The applicable penalties must be adopted and applied in full compliance with the procedures laid down by national bargaining agreements applicable to labour relations. In particular, non-managerial employees may be subject to verbal or written warnings, fines, suspensions and dismissals.

Without prejudice to the principle linking the disciplinary measures to the offences to which they may be applied, the measure applied must necessarily reflect the principle of proportionality between the offence and the penalty.

The Supervisory Body is responsible for continuously monitoring the disciplinary system to ensure that it is in line with the requirements of the Decree.

8.2. Penalties for executive personnel.

In the event of a violation by executive personnel of the general principles of the Model, the rules of conduct imposed by the Code of Ethics or the other Protocols, the Foundation will take the measures deemed appropriate in relation to the significance and seriousness of the offence committed, also in consideration of the particular relationship of trust between the Foundation and the executive in question.

In cases of serious infringements, the Foundation may terminate the employment contract early or apply any other penalty deemed appropriate in relation to the seriousness of the offence, including the early termination of the employment contract without notice pursuant to Article 2119 of the Italian Civil Code. This is because the offence itself must be considered as being carried out against the will of the Foundation and in the interest or for the benefit of the executive and/or third parties.

8.3. Penalties for directors.

In the event of the commission of an offence or a violation of the Code of Ethics, the Model and/or related Protocols by the directors of the Foundation, the Supervisory Body will inform the entire Board of Directors and the Audit Board, who will take the appropriate measures.

Serious violations not justified by the Board of Directors may be considered just cause for the removal of the director. A serious breach shall include the commission of acts constituting an Offence for the purposes above.

8.4. Measures against suppliers and other third parties.

In order to duly enter into contracts of any kind with Amplifon Foundation, particularly supply, outsourcing, agency, business procurement, joint venture, consultancy, or donation agreements, the contracting party must undertake to comply with the Code of Ethics, the Model and/or the applicable Protocols.

Said contracts must provide for termination clauses or withdrawal rights in favour of the Foundation without any penalties against the latter, in the event of the commission of Offences or of acts constituting an Offence for the purposes above, or in the event of conduct involving violations of the Code of Ethics, the Model and/or the related Protocols.

In any case, Amplifon Foundation reserves the right to claim compensation if this conduct causes damage to the Foundation, such as in the event that a court orders the application to the Foundation of the measures provided for by the Decree.

8.5. Specific penalties for the violation of whistleblowing provisions.

The disciplinary system adopted by the Foundation, which is an essential part of this Model, must provide for specific penalties applicable to those who are found to be responsible under the new regulations introduced by Legislative Decree 24/2023.

SUPERVISORY BODY

9.1. Identification of the Supervisory Body.

Article 6, paragraph 1, letter b) of Legislative Decree 231/2001 requires, as a condition for obtaining exemption from administrative liability, that the task of supervising the operation and compliance with the Model as well as updating it, be entrusted to a body within the Foundation with autonomous powers of initiative and control.

The autonomy and independence required by the provision presuppose that, in the performance of its duties, the SB is “external” to the production processes, in a staff position vis-à-vis the Board of Directors as a whole and the Audit Body.

In view of the specific tasks to be performed (supervisory and control functions provided for by the Model), the role of the SB will be entrusted to a body that, with this document approved by the Board of Directors, is specifically established to act in a support role to the entire Board of Directors and the Audit Board, free from any hierarchical relationship with the individual managers of the operational “business” functions.

In carrying out supervisory and control tasks, Amplifon Foundation’s Supervisory Board is normally supported by all internal functions and may also rely on external professionals who, from time to time, may be necessary for this purpose.

9.2. Composition of the Supervisory Body

Through theory and practice, a diverse range of solutions regarding the possible structure and composition of the SB has been developed, taking into account the size of the entity, its corporate governance rules and the need to strike a balance between costs and benefits.

In this regard, the Board of Directors has analysed the solutions proposed by trade associations in order to identify the strengths of and any drawbacks to the different solutions proposed. In particular, the Board looked at the possibility of assigning the tasks and responsibilities provided for by Article 6, paragraph 1, letter b) of the Decree to:

- an *ad hoc* monocratic body composed of an internal function manager or of external professionals (a lawyer or a chartered accountant);
- an *ad hoc* collegial body composed of external professionals (such as lawyers and/or a member of the Audit Board and/or a chartered accountant) with one or more internal function managers;
- an *ad hoc* collegial body composed only of external professionals (such as lawyers and/or a member of the Audit Board and/or a chartered accountant);
- an *ad hoc* collegial body composed of several internal function managers.

In this regard, the Board of Directors strongly believes that, for the purposes of appointing the Supervisory Body, each of the solutions proposed should be evaluated based on whether or not they have the following characteristics:

- autonomy and independence, understood as:
 - functional autonomy of the Supervisory Body;
 - possession of autonomous powers of initiative and control;
 - absence of operational tasks;
 - placement in a support role to the Board of Directors;
 - possibility of reporting directly to the Audit Board;
 - compliance with the principle of non-contradiction between who is controlled and who controls (Cassation Court Joint Divisions 24.04.2014 No. 38343);
- expertise, understood as the wealth of knowledge, tools and techniques that the Body must possess:
 - adequate specialised expertise in audit and advisory activities (statistical sampling, risk analysis and risk assessment techniques, risk mitigation measures, procedure and process definition, knowledge of the law and administrative accounting techniques, etc.);
- continuity of action, through the presence in the SB of an internal person dedicated to the supervision of the Model.

The Board of Directors considers that entrusting the tasks of the SB to an *ad hoc* collegial body composed of several internal function managers does not represent a solution fully compliant with the requirements of the Decree in relation to the current size and structure of the Amplifon Foundation, which, for example, does not

have function managers (e.g. Internal Management System, Finance, Control and Accounting, and Human Resources). This solution, in fact, while it ensures the necessary expertise and continuity of action of the SB, has the following limits:

- the increase in assigned tasks could compromise the effective performance of the duties specific to the functions and of the same tasks assigned pursuant to the Model;
- the participation of only employees with operational duties could compromise the independence and impartiality of the SB when conducting checks;
- the combination of operational functions (which are subject to controls) and control functions not only violates a basic principle of the concept of auditing but would also create of continuous conflict of interest and a clear lack of autonomy and independence (to be understood, in this case, as a requirement for judgment and evaluation).

The Board of Directors, taking into account the current size of the Foundation and the small number of internal function managers, in accordance with the principle of non-contradiction between who is controlled and who controls, and considering the ever growing number of projects taken on by the Foundation, also with a view to expanding abroad, considers that entrusting the tasks of the SB to a monocratic body composed of an external professional (in particular, a lawyer, accountant, auditor, etc.) represents a solution that fully complies with the requirements of the Decree. It fully complies with the Decree because it guarantees the expertise and, where necessary, the autonomy and independence of the SB. The need for continuity of action can be met through various means such as the establishment of a “technical secretariat”, which may also be cross-functional, to coordinate the activity of the SB and to ensure a constant point of reference in the Foundation, also for the purposes of providing information or allowing persons within the Foundation to report alleged wrongdoing. In short, this solution meets all the requirements of the law in terms of autonomy, independence, expertise and continuity of action.

Taking into account the specific nature of the responsibilities attributed to the Supervisory Body and the specific professional competencies required of the same, the Supervisory Board is supported by all internal functions in the performance of its duties but may also avail itself of the services of external consultants as and when their professional expertise may be required.

The SB shall, in turn, draw up a regulation governing its own operation and the ways in which the required information is organised (please see the relative paragraphs below).

The Board of Directors undertakes to authorise an annual budget of 7,500 euros, upon a reasoned request submitted by the Supervisory Body to the Treasurer, to ensure that it has the financial resources necessary to properly perform its duties.

9.3. Term of office and replacement

The Supervisory Body is appointed through a specific resolution of the Board of Directors in which the term of office is specified. The SB will be composed of a single member and will have a term of three years, which may be renewed. The Board of Directors is also responsible for periodically assessing the adequacy of the Supervisory Board in terms of its organisational structure and the powers conferred, making any changes deemed necessary by passing the relative resolution.

In particular:

- in order to ensure that the independence requirements are met, from the time of their appointment and throughout their term of office, the members of the SB:

1. must not hold executive positions or proxy appointments on the Foundation's Board of Directors;

2. must not have significant business relationships with the Foundation or with related or jointly controlled companies, except where they are an employee or a member of the Audit Board or the SB of such companies, nor have significant business relationships with directors vested with delegated powers (managing director);
 3. must not be part of the family unit of the executive directors, the shareholder or of one of the shareholders of the controlling group, with the family unit understood as consisting of the spouse, unless legally separated, relatives and in-laws up to the fourth degree of kinship;
 4. must not directly or indirectly own shares exceeding 5% of the capital with voting rights of companies, nor enter into shareholder agreements that in any way allow the exercise of control over the Foundation;
 5. must not have been convicted, or be subject to investigation, for offences that the Model aims to prevent;
- each year, the members of the Supervisory Board are required to sign a declaration confirming that they continue to meet the aforementioned independence requirement and, in any case, to immediately notify the Board of Directors and the SB in the event that any impediments to meeting said requirement arise;
 - anyone who fails to meet the eligibility, integrity and professionalism requirements to hold the position of a director shall be automatically ineligible to form part of the SB;
 - the appointed member of the SB remains in post for the entire duration of the term of office granted regardless of any change in the composition of the Board of Directors that appointed the same. This does not apply when the Board of Directors is renewed due to the commission of offenses that have given (or may give) rise to the liability of the Foundation and/or the directors. In such case, the newly elected Board of Directors may renew the composition of the SB;
 - the automatic disqualification from office shall apply in the cases of incompatibility referred to in points 1 - 5 above, as well as in the event of incapacity or death;
 - except in cases of automatic disqualification, members of the SB may not be removed by the Board of Directors, unless there is just cause;
 - failure to participate in more than two consecutive meetings without a justified reason and the grounds for disqualification from the position of Auditor constitute just cause for removal;
 - in the event that a member of the SB resigns or is automatically disqualified, the latter will promptly notify the Board of Directors so that it may swiftly take the relative decisions. The SB member must promptly notify the Board of Directors in the event that any of the circumstances under which they would need to be replaced arises;
 - the SB is deemed to have lapsed if, due to resignation or other causes, the sole member is no longer in office. In this case, the Board of Directors shall appoint a new member.

9.4. The functions and powers of the Supervisory Body

While ultimate responsibility for adopting the Model lies with the Board of Directors (in particular with regard to organisation and management), the SB is assigned the task of monitoring:

- the effectiveness and adequacy of the Model in relation to the company structure and its effective capacity to prevent the commission of offences;
- compliance with the requirements of the Model by the governing bodies, employees, suppliers, outsourcers and other third parties;

- opportunities to update the Model, in the event there is a need to adapt it to changed company and/or regulatory conditions.

In order to carry out the above tasks, the Supervisory Board will:

I. with regard to verifying the effectiveness of the Model:

- interpret the relevant legislation;
- conduct audits of the Foundation's activities for the purposes of mapping areas and activities at risk of crime;
- coordinate with the function in charge of defining staff training programmes and the content of periodic communications to be sent to the governing bodies, employees and outsourcers, with a view to raising their awareness and basic knowledge of the provisions of Legislative Decree 231/2001;
- monitor initiatives to disseminate knowledge and understanding of the Model;
- prepare and continuously update the relevant information in order to facilitate full and informed compliance with the rules of conduct of the Foundation. To this end, in collaboration with the relative internal functions in charge, the Supervisory Body will update the area in the Foundation's computer network containing all the information relating to the Decree;

II. with reference to verifying compliance with the Model:

- conduct targeted audits on certain operations or specific acts carried out by the Foundation within the areas or activities at risk;
- coordinate with internal functions (including through specific meetings) to ensure activities are properly monitored. To this end, the Supervisory Body shall have free access to all internal and external documentation that it deems relevant and the governing bodies and employees shall keep it informed of:

a) any internal aspects that may expose the Foundation to the risk of one of the offences being committed;

b) relations with outsourcers and other third parties operating on behalf of the Foundation in the area of sensitive operations;

- collect, process and store the relevant information regarding compliance with the Model, as well as update the list of information that must be sent or kept at the SB's disposal;
- initiate and conduct internal investigations, liaising from time to time with the internal functions concerned in order to acquire further information;

III. with regard to the implementation of proposals for updating the Model and monitoring their implementation:

- on the basis of the findings of the audit and control activities, periodically evaluate the adequacy of the Model and its operation with respect to the provisions of the Decree and this document;
- in relation to these evaluations, periodically submit to the Board of Directors proposals for making the desired improvements to the Model, indicating the actions deemed necessary to effectively implement the desired Model (completion of procedures, adoption of standard contractual clauses, etc.). Particular importance must be given to the necessary changes to be made to the systems for managing financial resources (both

incoming and outgoing) so as to introduce suitable measures for detecting any atypical cash flows with higher margins of discretion;

- periodically check the implementation and effectiveness of the proposed solutions/corrective actions;
- coordinate with company management to evaluate the adoption of any disciplinary measures, it being understood that the latter retains authority over the imposition of the penalty and the related disciplinary procedure.

The SB must maintain the utmost discretion and confidentiality while performing its duties, reporting exclusively to the governing bodies.

In order that the SB is able to perform its role, the Board of Directors assigns it powers of initiative and control and the necessary prerogatives to ensure that it is able to effectively monitor the operation of and compliance with the Model and to update it in accordance with the provisions of the Decree.

9.5. Reporting to the bodies of the Foundation

In order to fully comply with the dictates of the Decree, the SB reports directly to the Board of Directors so as to guarantee its full autonomy and independence in the performance of the assigned tasks with respect to the individual members. Every six months, the Supervisory Board provides the Board of Directors with a report on the implementation of the Model and the emergence of any critical issues.

Every year, the Supervisory Board, in the presence of the Audit Board, presents a report to the Board of Directors on the activities planned for the following year, which may be subject to a specific resolution, as well as on the activities carried out in the previous year, justifying any deviations from the original plan.

The report concerns the activities carried out by the SB and any critical issues that may have emerged both with regard to conduct or events within the Foundation and to the effectiveness of the Model.

In light of the critical issues found, the SB advises the Board of Directors of the corrective actions deemed most appropriate in order to improve the effectiveness of the Model.

In urgent cases or when requested by one of its members, the SB shall be required to immediately report in writing the results of its activities to the Board of Directors.

The report must cover:

- the activities carried out, indicating in particular the controls and audits performed and the outcome thereof, as well as any updating of the areas and/or activities “at risk of crime” and of the related sensitive processes;
- any critical issues (and ideas for improvement) that have come to light both with regard to conduct or events within the Foundation and to the effectiveness of the Model;
- the corrective actions and improvements suggested or planned and their stage of implementation.

Meetings with the governing bodies to which the SB reports must be recorded and a copy of the minutes must be kept by the SB and the governing bodies involved.

The Audit Board, the Board of Directors, its Chairman and the Chief Executive Officer have the right to convene a meeting of the Supervisory Body at any time, which, in turn, has the right to request, through the relevant functions or persons, that a meeting of the aforementioned governing bodies be convened as a matter of urgency.

The SB must also coordinate with the competent functions in the Foundation on the various aspects of its activities.

9.6 The system for submitting reports to the Supervisory Body

Directors, auditors, managers, employees, consultants and partners must report any events that could give rise to the liability of the Foundation pursuant to Legislative Decree 231/2001 to the Supervisory Body.

More specifically, within the Foundation, the following must be reported to the SB:

- on a regular basis, the information/data/news identified by the SB and/or requested by the same from the individual functions of the Foundation; this information must be sent within the time frames and in the manner to be defined by the SB itself (“information flows”);
- any resolutions approved by the Board of Directors and/or the Shareholders' Meeting along with the relative minutes;
- on an occasional basis, any other information, including from third parties and relating to the effective implementation of the Model in the at-risk areas as well as compliance with the provisions of the Decree, which may be useful in the performance of the tasks of the SB (“reports”).

Finally, the SB must be informed of any information concerning:

- measures and/or information originating from criminal investigation bodies, or from any other authority, from which it can be inferred that investigative activities have been carried out in relation to the offences contemplated in the Decree, including where initiated against unknown persons;
- reports forwarded to the Foundation by employees in the event of the initiation of legal proceedings against them for one of the offences contemplated in the Decree;
- reports prepared by the company functions as part of their control activities, which highlight facts, deeds, events or omissions of a critical nature with respect to the provisions of the Decree or the Model;
- information on the initiation of investigations to ascertain and, if applicable, penalise non-compliance with the rules of conduct and protocols provided for by the Model, as well as information on any penalties applied.

9.7. Method of transmission of information to the Supervisory Body

With regard to the methods for transmitting information/data/news, the following provisions apply:

- the internal functions concerned must ensure that the “reports” and “information flows” arrive at the SB through the channels defined by the SB itself in the specific procedure (Circular on information flows).

9.8. Reporting unlawful conduct or violations of the Model and protecting the whistleblower

To protect the integrity of the Foundation, senior and subordinate personnel, self-employed workers and professionals, consultants, trainees and the shareholders/founder who have employment relationships or provide services to the Foundation may submit detailed reports with:

- information, including well-founded suspicions, on the commission of any of the offences indicated in the Management, Organisation and Control Model or the European legislation indicated in Annex 1 of Legislative Decree 24/2023 and summarised in the “Whistleblowing Policy” annexed to this Model (Annex 6);

- information, including well-founded suspicions, concerning violations not yet committed but for which there are solid grounds to believe they could be committed, and any conduct aimed at concealing the same.

Reports can be made either in

- **Written form:** by filling in the Reporting Form and placing it in a sealed envelope and placing the whistleblower's data together with an identity document in a second sealed envelope. The two sealed envelopes are then placed in a third sealed envelope marked with the words “for the confidential attention of the Whistleblowing Manager”. The sealed envelope is then sent by registered letter with return receipt to the Whistleblowing Manager.

or

- **Oral form:** by contacting the Whistleblowing Manager by telephone to make the report or to request a face-to-face meeting with the same Manager within 10 working days. In both cases, the report will be recorded and then signed by the whistleblower who will receive a copy.

Alternatively or in addition to the written form, computerised reporting can be implemented. In this case, an online platform may also be used, which could potentially be that used by companies of the Amplifon Group.

It is up to the whistleblower to decide whether to make the report in written or oral form.

For further information on the rules governing reporting and the operation of the internal reporting channel, please refer to the organisational measure adopted by the Foundation's Board of Directors and the procedures contained in Annex 6: “Whistleblowing Policy”, the disciplinary system and the reporting model.

- The reports will be handled by the Whistleblowing Manager with the utmost confidentiality in order to protect the whistleblowers against any retaliatory, discriminatory and/or vindictive conduct (which is expressly prohibited and subject to the disciplinary measures referred to in Annex 5 to the Model) related – directly or indirectly – to the report itself, also ensuring the confidentiality of the whistleblower’s identity (except where legal requirements dictate otherwise) and that of other parties potentially subject to retaliation due to the role assumed or their proximity to or relationship with the whistleblower. Confidentiality is also guaranteed with reference to the processing of information relating to the handling of reports.
- Those who make manifestly unfounded reports through wilful intent or gross negligence will also be subject to disciplinary measures.
- If discriminatory measures are taken against persons who report any unlawful conduct or violations of the Model and/or the procedures/protocols provided for therein, this may be reported to the National Labour Inspectorate, in respect of the measures falling within its remit, not only by the whistleblower but also by the trade union indicated by the same.
- The retaliatory or discriminatory dismissal of the whistleblower shall be deemed invalid. Changes to their duties will also be deemed invalid pursuant to Article 2103 of the Italian Civil Code, along with any other retaliatory or discriminatory measure taken against the whistleblower. If there are disputes related to the imposition of disciplinary measures, or demotions, dismissals, transfers, or subjecting the whistleblower to other organisational measures that directly or indirectly have a negative effect on working conditions, it is the responsibility of the Foundation, in its capacity as the employer, to demonstrate that such measures are based on reasons unrelated to the report itself.
- Any form of retaliation against the whistleblower, understood as any behaviour, act or omission, even if only attempted or threatened, that takes place in the work context and that directly or indirectly causes undue harm to the protected parties, is prohibited. Retaliatory acts are prohibited. The same protection also applies to facilitators and other persons associated with the whistleblower (e.g. co-workers). ANAC (National Anti-

corruption Authority) is responsible for receiving and managing communications from the whistleblower concerning alleged retaliation suffered by the same.

9.9. The collection and storage of information

All the information and reports provided for in this Model are kept by the Whistleblowing Manager in a special confidential archive (computer or paper-based) for a period of 10 years.

Access to the database with reading and writing powers is granted to the members of the Supervisory Body, the Audit Board, the Chairman and the Chief Executive Officer of the Foundation, though they may not modify the documents.