

# **Organizational, Management and Control Model**

***Seventh Edition (February 2024)***

***As per Art. 6 Legislative Decree 231/2001***

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## GENERAL SECTION

### DEFINITIONS

*Sensitive activities:* BSCCB activities at risk of commission of the Offences;

*BSCCB or Company or Parent Company:* BremboSGLCarbonCeramicBrakes S.p.A.;

*Business partners:* any and all third parties acting on behalf of BSCCB (including suppliersintermediaries, agents, consultants, etc.);

*National Collective Bargaining Agreement (or “CCNL”):* the National Collective Bargaining Agreements entered into by the employees’ most representative trade unions, currently in force and applicable to BSCCB;

*Legislative Decree No. 231/2001 or the Decree:* Legislative Decree No. 231 of 8 June 2001 governing the “administrative liability of legal entities, companies and associations, including bodies devoid of legal personality” as further amended and extended;

*Legislative Decree No. 24/2003 or Decree 24/2023:* Legislative Decree No. 24 of 10 March 2023 implemented into Italian law Directive (EU) 2019/1937 concerning the protection of persons who report breaches of Union law of which they have become aware in a public or private employment context (so-called Whistleblowing Directive).

*Internal Delegation/Proxy:* the internal attribution of powers related to a specific job description, that in order to be exercised do not require a notarised power of attorney, and that are reflected in the system of organisational communications and notices;

*Employees:* people employed by BSCCB under an employment contract;

*Model:* this Organisational, Management and Control Model;

*Supervisory Committee:* the body contemplated in this Model;

*Ombudsperson:* the institutional representative of the whistle-blowing channel in BSCCB GmbH;

*Chairman:* the BSCCB S.p.A.’s Chairman of the Board of Directors;

*Power of attorney:* unilateral legal transaction, formalised before a notary public, whereby BSCCB grants powers of representation in relation to third parties and which is entered in the Companies Register at the Chamber of Commerce;

*Offences/Underlying offences:* the offences covered and contemplated under Legislative Decree No. 231/2001, as further amended and extended;

*Group Companies:* foreign companies falling under BSCCB’s direct or indirect corporate control within the meaning of Article 2359 of the Italian Civil Code;

**Company Officers:** individuals at the highest level of representation, administration and management of the Company or one of its organisational units, endowed with independent powers of expenditure and action, as well as persons who, even if only *de facto*, manage and exercise control over the Company.

## **ABBREVIATIONS**

- *c.p.:* Italian Penal Code
- *c.c.:* Italian Civil Code
- *OdV:* Supervisory Committee

## **HISTORY OF THE COMPANY/BUSINESS/ORGANISATION**

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BSCCB S.p.A., originally established under the name BCBS S.p.A. (Brembo Ceramic Brake Systems S.p.A) by a joint-venture between at that time Brembo S.p.A. and Germany's Daimler AG, was formed in 2004 and is involved in the design, development, manufacture and marketing of braking systems in general and, in particular, of carbon ceramic brake discs intended for the original equipment of high-performance cars. The Company also carries out research and development of new materials and new applications.

In May 2009, the Company, owned entirely by at that time Brembo S.p.A. since September 2008, approved a share capital increase fully paid-up by SGL Technologies GmbH and purchased the entire equity of SGL Brakes GmbH, Meitingen. These operations led to the establishment of a joint-venture between the two Groups, SGL and Brembo, in the field of carbon-ceramic brake discs, with the two having equal equity shares (50-50%). Since 28 May 2009, date in which the joint-venture was established, the Company is not under the management and supervision of other companies or entities, pursuant to art. 2497-bis of the Italian Civil Code. As a result of the joint-venture, the Company has also changed its corporate name to Brembo SGL Carbon Ceramic Brakes S.p.A. (BSCCB S.p.A. in abbreviated form).

The joint-venture has two manufacturing plants of carbon ceramic discs, one in Stezzano (Bergamo) and one in Meitingen (in Germany, close to Augsburg), at the registered office of BSCCB GmbH, a German company, 100% owned by BSCCB S.p.A.

The Company entertains business ties with Brembo N.V. that provides support to BSCCB S.p.A. with logistic and administrative services in the broad sense. BSCCB S.p.A. conducts its business in a building leased by Brembo N.V.. These relationships are governed by contracts.

Ever since the establishment of the joint-venture between SGL and Brembo, the Company has been run by two General Managers. After a long period, from 10 January 2012 to 31 July 2020, during which the management function was held by a single General Manager, the company is now headed by two General Managers, assisted by some executives, who are division managers, and who all together form the Management Committee.

The divisions are: Sales and Marketing held *ad interim* by the Italian Managing Director, Operations (which includes production, purchasing and applied technology), Administration and Finance held by the German Managing Director, HR and Research and Development. The detailed organisation chart of each division is regularly brought to the attention of all stakeholders.

## FRAMEWORK OF REFERENCE

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### LEGISLATIVE DECREE No. 231/2001

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Legislative Decree No. 231/2001, as further amended and extended, which sets forth the “*Regulatory Framework governing the vicarious corporate liability of legal entities, corporations and associations, including bodies devoid of legal personality*” (hereafter the “Decree”), introduced into the Italian legal system, for the first time, the concept of vicarious corporate liability for specific offences committed in the interest or to the benefit of the entity in question, by:

- a) individuals at the highest levels of corporate representation, administration and management of the company or one of its organisational units endowed with independent powers of expenditure and action (*Company Officers*), as well as natural persons who, even if only *de facto*, manage and exercise control over the company in question;
- b) individuals subjected to the management or oversight of one of the persons at the highest levels of corporate management indicated under letter a) above (for instance, employees).

In the case where one of the offences specifically indicated in the list of “underlying offences” is committed, the criminal liability of the individual who materially carried out the offence also entails the “administrative” liability of the company (if and to the extent that all other regulatory assumptions apply).

The Company’s liability, therefore, is

- “*in addition to and not in replacement of*” the criminal liability incurred by the individuals who materially committed the offence (such liability remaining within the remit of the normal criminal law)
- “*direct and independent*” of the criminal liability incurred by the individual offenders

Vicarious corporate liability, introduced by the Decree, is aimed, first and foremost, at occasioning prejudice to the assets of legal entities that have benefitted or profited from the commission of certain specific criminal offences (the underlying offences)

Consequently, with a view to directly and effectively targeting the legal entity that incurs vicarious corporate liability (which is subject to a statute of limitations of five years following the date on which the underlying offence was committed — Article 22 of the Decree), the current regulatory framework provides for four distinct types of punitive measures: fines (Article 10), disqualifications/suspensions (Article 13), the publication of the judgement (Article 18) and confiscation of undue gains (Article 19).

Fines are the main form of penalty inflicted in the event of vicarious corporate liability for criminal offences, and accordingly play a central role in the punitive framework entrenched in the Decree.

In determining the fine to be imposed, account must be taken of a dual quantitative and qualitative threshold, based on a unit system: each Offence giving rise to vicarious corporate liability results in a penalty established in terms of a number of units that must fall within a

range of a minimum of 100 and a maximum of 1,000 units, and that could reflect a value of between €258 and €1,549.

In determining the number of units the fine is to amount to in each case, due account must be taken (pursuant to Article 11 of the Decree) of the seriousness of the underlying offence, the extent of the legal entity's liability, as well as the prior precautions implemented by the legal entity in question to prevent the commission of the Offence.

In case of the more serious offences, the legal entity is also exposed to temporary disqualification/suspension (of no less than 3 months and no more than 2 years)<sup>1</sup>, such as:

- a) disqualification from engaging in business;
- b) the suspension or revocation of authorisations, licences, or contracts allowing to commit the offence;
- c) disqualification from contracting with the Public Administration;
- d) disqualification from low-interest financing or similar subsidies or the revocation of those already granted;
- e) disqualification from advertising goods and services.

The aforementioned measures may be imposed if at least one of the following conditions is met:

- the legal entity has derived significant profits from an underlying Offence that was committed by a Company Officer, or a person subject to the supervision of others (in such latter case, the organizational failures must be found to have caused or enabled the commission of the offence);
- the legal entity had previously been held vicariously liable for the same offence.

Penalties entailing disqualifications or suspensions may be accompanied by an order requiring the publication of the related judgement.

## **THE OFFENCES CONTEMPLATED IN THE LEGISLATIVE DECREE**

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The offences which, pursuant to the Decree, could give rise to vicarious corporate liability, if committed in the interest or for the benefit of a legal entity (hereinafter, the "Offences"), include:

**Articles 24 and 25) Offences committed in the course of relations with the Public Administration** (as per Articles 24 and 25 of Legislative Decree No. 231/2001, as further amended, by art. 5 of Legislative Decree n.75/2020 and last headings replaced by art. 6-ter of the Law n. 137/2023)

- Misappropriation of public funds (Article 316-*bis* of the Italian Penal Code);
- Undue receipt of benefits to the prejudice of the State (Article 316-*ter* of the Italian Penal Code);
- Cheating occasioning prejudice to the State or any other public body of the European Community (Article 640(2)(1) of the Italian Penal Code);
- Aggravated cheating resulting in the receipt of public monies (Article 640-*bis* of the Italian Penal Code);
- Computer fraud (Article 640-*ter* of the Italian Penal Code);
- Fraud in public supplies (Article 356 of the Italian of the Italian Penal Code) [crime introduced by Article 5 of Legislative Decree no. 75/2020]

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<sup>1</sup> The disqualification sanction may be final if the entity has derived a significant profit from the offence and if it has already been sentenced to temporary disqualification at least three times in the last seven years.

- Fraud to the detriment of the European Agricultural Fund (Article 2 of Law no. 898 of 23 December 1986) [crime introduced by Article 5 of Legislative Decree no. 75/2020]
- Embezzlement (limited to the first paragraph) (Article 314 of the of the Italian Penal Code) [offence introduced by Article 5, paragraph 1, lett.b, of Legislative Decree no. 75/2020];
- Embezzlement by means of profit from the error of others (Article 316 of the Italian Penal Code) [offence introduced by Article 5(1)(b) of Legislative Decree no. 75/2020];
- Extortion by a public official (Article 317 of the Italian Penal Code);
- Corruption in the course of official duties (Article 318 of Italian Penal Code);
- Corruption for a deed or performance running counter to official duties (Article 319 of Italian Penal Code);
- Aggravating circumstances (Article 319-*bis* Italian Penal Code);
- Corruption in judicial deeds and documents (Article 319-*ter* of Italian Penal Code);
- Undue inducement to provide or promise benefits (Article 319-*quater* of the Italian Penal Code);
- Corruption of a public servant (Article 320 of Italian Penal Code);
- Sentences set forth for corruptors (Article 321 of Italian Penal Code);
- Incitement to corruption (Article 322 of Italian Penal Code);
- Embezzlement, bribery, undue inducement to provide or promise benefits, and corruption by public officials and incitement to corruption of members of the bodies of the European Community and officers of the European Community and other foreign States (Article 322-*bis* of Italian Penal Code).
- Traffic of Unlawful Influence (Article 346-*bis* of Italian Penal Code) [crime introduced by Law No. 3 of 9 January 2019, Article 1, paragraph 9, lett. b-1].
- Bid Rigging (Article 353 of Italian Criminal Code) [crime introduced by Law No. 137/2023]
- Interference with the Tender Process (Article 353-*bis* of Italian Criminal Code) [crime introduced by Law No. 137/2023].

**Article 24-*bis*) Cybercrimes and illegal handling of data** (Law No. 48/2008)

- Misrepresentation in public or private digital documents (Article 491-*bis* of the Italian Penal Code);
- Unauthorised access to a computer or electronic system (Article 615-*ter* of the Italian Penal Code);
- Unlawful possession and disclosure of access codes to computer or electronic systems (Article 615-*quater* of the Italian Penal Code);
- Dissemination of equipment, devices or software designed to disrupt or damage a computer or electronic system (Article 615-*quinquies* of the Italian Penal Code);
- Unlawful interception, interruption or disruption of computerised or electronic communications (Article 617-*quater* of the Italian Penal Code);
- Installation of devices designed to intercept, block or disrupt computerised or electronic communications (Article 617-*quinquies* of the Italian Penal Code);
- Damage to information, data and software programmes (Article 635-*bis* of the Italian Penal Code);
- Damage to computer information, data and programmes used by the State or another public body or aimed at providing a public service (Article 635-*ter* of the Italian Penal Code);
- Damage to computer or electronic systems (Article 635-*quater* of the Italian Penal Code);

- Damage to computer or electronic systems used for public-service purposes (Article 635-*quinquies* of the Italian Penal Code);
- Computer fraud by the person or party providing electronic signature certification services (Article 640-*quinquies* of the Italian Penal Code);
- Violation of the rules on Cybernetic National Security Assessment [offence introduced by Article 1, paragraph 11, of Decree-Law 21 September 2019, n. 105];

**Article 24-ter) Organised crime offences** [Article introduced by Law No. 94 of 15 July 2009, Article 2, paragraph 29, as further amended]

- Criminal conspiracy (Article 416 of the Italian Penal Code, save for paragraph 6);
- Criminal association for purposes of reducing to or maintaining in slavery, human-trafficking, purchasing and sale of slaves and offences concerning breaches of the provisions on clandestine immigration pursuant to Article 12 of Legislative Decree No. 286/1998 (Article 416, paragraph 6, of the Italian Penal Code);
- Trade in organs from living persons (Article 601-bis of the Italian Penal Code added limited to the alleged crime according to the Article 416, paragraph 6 of the Italian Penal Code from the Law No. 236/2016 in effect on 07 January 2017);
- Mafia-type conspiracy (Article 416-*bis* of the Italian Penal Code);
- Mafia-political electoral exchanges (Article 416-*ter* of the Italian Penal Code);
- Kidnapping for ransom (Article 630 of the Italian Penal Code);
- Conspiracy to engage in illegal trafficking of narcotic drugs or psychotropic substances (Article 74 of Presidential Decree No.309 of 9 October 1990);
- The unlawful manufacture, importation within national boundaries, offer for sale, transfer, possession or bearing in a public place or on premises open to the public, of assault or assault-type weapons or parts thereof, explosives, illegal weapons and/or several common fire arms (\*) (Article 407, paragraph 2, subparagraph a (5), of the Italian Code of Criminal Procedure).

*(\*) Excluding “airsoft guns” or gas-driven guns, as well as both long- and short-barrelled air guns driven by compressed air or gas, with a muzzle energy in excess of 7.5 joules, and flare guns, save in the case where they are used for fishing or fall within the category of guns and tools which, by reason of their features, have been classified by the “Central Consultative Committee on Gun Control” as unlikely to cause bodily harm or injury.*

**Article 25-bis) Counterfeiting currency** [Article introduced through the Legislative Decree No. 350 of 25 September 2001, Article 6, as subsequently adjusted and converted into Law No. 409 of 23 November 2001, and amended by Law No. 99 of 23 July 2009].

- Counterfeiting of legal tender, expenditure and introduction of counterfeit legal tender in the State, with conspiracy (Article 453 of the Italian Penal Code);
- Alteration of legal tender (Article 454 of the Italian Penal Code);
- Expenditure and introduction of counterfeit legal tender in the State, without conspiracy (Article 455 of the Italian Penal Code);
- Expenditure of counterfeit legal tender received in good faith (Article 457 of the Italian Penal Code);
- Counterfeiting stamp paper, introduction into the State, the purchase, possession or circulation of counterfeit stamp paper (Article 459 of the Italian Penal Code);
- Counterfeiting watermarked paper used for the manufacture of public credit documents or stamp paper (Article 460 of the Italian Penal Code);
- Manufacture and possession of watermarks or tools designed for counterfeiting legal tender, stamp paper or watermarked paper (Article 461 of the Italian Penal Code);
- Use of counterfeit or altered stamp paper (Article 464 of the Italian Penal Code);



- Infringement, alteration or use of trademarks or distinguishing marks or patents, models and designs (Article 473 of the Italian Penal Code);
- Import and marketing of products bearing false markings (Article 474 of the Italian Penal Code).

**Article 25-bis.1. Offences in restraint of trade and industry** [Article introduced by Law No. 99 of 23 July 2009, as further amended, last headings modified by the Law No. 206/2023]

- Obstruction of trade or industry (Article 513 of the Italian Penal Code);
- Unlawful competition with threats or violence (Article 513-bis of the Italian Penal Code);
- Fraud against national industries (Article 514 of the Italian Penal Code).
- Fraud in the exercise of trade (Article 515 of the Italian Penal Code);
- Passing off non-genuine food products as genuine (Article 516 of the Italian Penal Code);
- Sale of industrial products with mendacious signs (Article 517 of the Italian Criminal Code) [modified by the Law No. 206/2023];
- Manufacture and marketing of goods produced in breach of intellectual property rights (Article 517-ter of the Italian Penal Code);
- Counterfeiting protected designations of origin and protected geographical denominations of food products (Article 517-quater of the Italian Penal Code).

**Article 25-ter) Corporate offences** [introduced by Legislative Decree No. 231/2001, as further amended by Legislative Decree No. 61/2002; modified by Law No. 190/2012, by Law No. 69/2015, by Legislative Decree No. 38/2017 and last headings modified by Legislative Decree No. 19/2023]

- False corporate notices (Article 2621 of the Italian Civil Code);
- Less serious offences (Article 2621-bis of the Italian Civil Code);
- False corporate notices of listed companies (Article 2622 of the Italian Civil Code);
- Obstruction of auditing (Article 2625 of the Italian Civil Code);
- Undue restitution of contributed assets (Article 2626 of the Italian Civil Code);
- Illegal distribution of profits and reserves (Article 2627 of the Italian Civil Code);
- Unlawful transactions involving own shares or shares in parent companies (Article 2628 of the Italian Civil Code);
- Transactions prejudicial to creditors (Article 2629 of the Italian Civil Code);
- Failure to report a conflict of interest (Article 2629-bis of the Italian Civil Code);
- Fictitious setting up of share capital (Article 2632 of the Italian Civil Code);
- Unlawful distribution of corporate assets by receivers (Article 2633 of the Italian Civil Code);
- Private Corruption (Article 2635 of the Italian Civil Code as modified by the Legislative Decree No. 38 of 15 March 2017 );
- Incitement to Private Corruption (Article 2635-bis of the Italian Civil Code) [crime added by the Article 4, of the Legislative Decree No. 38 of 15 March 2017];
- Unlawful influence on the general meeting (Article 2636 of the Italian Civil Code);
- Stock manipulation (Article 2637 of the Italian Civil Code);
- Obstruction of the exercise of the duties of public oversight authorities (Articles 2638 of the Italian Civil Code).
- False or omitted declarations for the issue of the preliminary certificate (Article 55 of Legislative Decree No. 19/2023) [offence added by Legislative Decree No. 19/2023].

**Article 25-*quater*) Offences pertaining to terrorism and subversion of the democratic order contemplated in the Italian Penal Code and special laws, and offences involving the violation of Article 2 of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on 9 December 1999**

- Subversive associations (Article 270 of the Italian Penal Code);
- Associations for the purpose of terrorism, including international terrorism or subversion of the democratic order (Article 270-bis of the Italian Penal Code);
- Assistance to associates (Article 270-ter of the Italian Penal Code);
- Enlistment for the purposes of terrorism, including international terrorism (Article 270-*quater* of the Italian Penal Code);
- Organising transfers for terrorist purposes (Article 270-*quater*.1 of the Italian Penal Code);
- Training for the purposes of terrorism, including international terrorism (Article 270-*quinquies* of the Italian Penal Code);
- Financing of conduct for terrorist purposes (Article 270-*quinquies*.1 of the Italian Penal Code, introduced by Law No. 153/2016);
- Misappropriation of property or money subject to seizure (Article 270 *quinquies*.2 of the Italian Penal Code);
- Conduct for the purposes of terrorism (Article 270 *sexies* of the Italian Penal Code);
- Attacks for terrorist or subversive purposes (Article 280 of the Italian Penal Code);
- Acts of terrorism with deadly or explosive devices (Article 280-bis of the Italian Penal Code);
- Acts of nuclear terrorism (Article 280-ter of the Italian Penal Code);
- Kidnapping for the purpose of terrorism or subversion (Article 289-bis of the Italian Penal Code);
- Kidnapping for the purpose of coercion (Article 289-ter of the Italian Penal Code);
- Political conspiracy by agreement (Article 304 of the Italian Penal Code);
- Political conspiracy by association (Article 305 of the Italian Penal Code);
- Armed band: formation and participation (Article 306 of the Italian Penal Code);
- Assistance to participants in a conspiracy or armed band (Article 307 of the Italian Penal Code).

**Article 25-*quater* 1) Female genital mutilation (Law No. 7/2006)**

Practices entailing the mutilation of the female genital organs (Article 583-*bis* of the Italian Penal Code)

**Article 25-*quinquies*) Offences against the person**

- Reduction to slavery (Article 600 of the Italian Penal Code);
- Child prostitution (Article 600-*bis* of the Italian Penal Code);
- Child pornography (Article 600-*ter* of the Italian Penal Code);
- Possession of pornography (Article 600-*quater* of the Italian Penal Code);
- Virtual pornography (Article 600-*quater*(1) Italian Penal Code);
- Tourism initiatives for the purposes of exploiting child prostitution (Article 600-*quinquies* of the Italian Penal Code);
- Trafficking in human beings (Article 601 of the Italian Penal Code);
- The sale and purchase of human beings (Article 602 of the Italian Penal Code);

- Illicit brokering and labour exploitation (Article 603-*bis* of the Italian Penal Code) [crime added by the Article 6, of Law No.199 of 29 October 2016];
- Child enticement (Article 609-*undecies* of the Italian Penal Code).

#### **Article 25-*sexies*) Market abuse Offences**

- Insider trading (Article 184 of the TUF);
- Market manipulation (Article 185 of the TUF) [crime modified by the Legislative Decree No.107/2018];
- Other cases of market abuse(\*) (Article 187 quinquies TUF)  
(\* ) Prohibition of insider trading and unlawful disclosure of inside information (Article 14 of EU Regulation No. 596/2014); Prohibition of market manipulation (Article 15 of EU Regulation No. 596/2014).

#### **Article 25-*septies*) Manslaughter (Article 589 of the Italian Penal Code) and serious or very serious negligent injury (Article 590 of the Italian Penal Code), committed as a result of violations of accident-prevention and occupational health and safety regulations** (Law No. 123 / 2007)

#### **Article 25-*octies*) Receiving, laundering and using money, assets and profits obtained illegally, and also self-laundering** [Article introduced by Legislative Decree No. 231/2007, as further amended by Legislative Decree No 195/2021<sup>2</sup>]

- Receiving of money (Article 648 of the Italian Penal Code);
- Money laundering (Article 648-*bis* of the Italian Penal Code);
- Use of money, assets and profits obtained illegally (Article 648-*ter* of the Italian Penal Code);
- Self-laundering (Article 648-*ter*, paragraph 1, of the Italian Penal Code) – [offence introduced by Law No. 186, Article 3, paragraph 5, of 15 December 2014]<sup>3</sup>.

#### **Article 25-*octies.1*) - Offences relating to non-cash means of payment**

[Article introduced by Legislative Decree No 184/2021 as further amended, and last headings modified by art. 6-*ter* of the Law n. 137/2023]

- Misuse and counterfeiting of non-cash means of payment (Article 493 *ter* of the Criminal Code) - [offence added by Article 3 of Legislative Decree no. 184 of 8 November 2021];
- Possession and dissemination of computer equipment, devices or programmes aimed at committing offences concerning non-cash payment instruments (Article 493 *quater* of the Criminal Code) - [offence added by Article 3 of Legislative Decree No. 184 of 8 November 2021];

<sup>2</sup> Legislative Decree No. 195 of 8 November 2021 - implementing Directive (EU) 2018/1673 on «combating money laundering by means of criminal law» - introduces in Article 25-*octies* of Legislative Decree 231/2001 new predicate offences of «receiving, money laundering, self-laundering and use of money, goods or benefits of unlawful origin» by including - for simplification - also facts concerning money or things from contraventions and, in the case of money laundering and self-laundering, also crime of negligent,

<sup>3</sup> The principle of the peremptory nature of the underlying offences has been challenged by the most recent interpretative orientations according to which the entity could incur 231 liability also for cases (from which the illegal proceeds characterizing self-laundering are derived) not included in the catalogue of underlying offences of the Decree 231. In this regard, BSCCB adheres to the interpretation according to which the 231 liability of the entity must instead be circumscribed to cases in which the underlying offence of self-laundering is also one of the underlying offences indicated in Decree 231; in any case, should such liability be considered configurable also in the presence of further underlying offences, in order to protect BSCCB from the risk of committing money-laundering and self-laundering offences, prevention measures and control instruments have been provided for in the Model to protect against the above-mentioned risks-at-risk which may also derive from offences other than the underlying offences provided for in Decree 231.

- crime of «*computer fraud*» (Article 640 ter of the Criminal Code) - [offence added by Article 3 of Legislative Decree No. 184 of 8 November 2021];
- Fraudulent transfer of assets (Article 512 bis of the Italian Criminal Code) [offence introduced by Law no. 137/2023]

**Article 25-*novies*) Offences in breach of intellectual property rights** [Article introduced by Law No. 99 of 23 July 2009 as further amended, and last headings modified by Law No. 93/2023]

- Unlawful dissemination of copyrighted works or parts thereof over publicly accessible electronic networks, using connections of any nature or kind whatsoever (Article 171, paragraph 1, point (a-bis) of Law No. 633/1941);
- Offences pursuant to the point above committed in respect of third party works not aimed at being published, should the respective honour or reputation be offended (Article 171, paragraph 3, of Law No. 633/1941);
- Abusive duplicating of computer programmes to make a profit; importation, distribution, sale or possession for commercial or entrepreneurial purposes or leasing of programmes on media which do not bear the relevant SIAE (Italian Authors and Publishers Association) mark; arrangements of means to remove or avoid the protection devices of computer programmes (Article 171-bis, paragraph 1, of Law No. 633/1941);
- Reproduction, transfer onto a different support, distribution, communication, presentation or public demonstration of database contents; extraction or reuse of the database; distribution, sale or leasing of databases (Article 171-bis, paragraph 2, of Law No. 633/1941);
- The unlawful copying, reproduction, transmission or public dissemination using any means whatsoever, of all or part of intellectual property earmark for television or cinema circuit, as well as the sale or rental or discs, tape or similar storage media or any other storage medium containing phonograms or videograms of assimilated musical, cinematographic or audiovisual works or sequences of motion picture frames; literary, theatrical, scientific or didactical, musical or theatrical-musical, and multimedia works, including those incorporated into collective or composite works or databases; the unlawful copying, reproduction, transmission or dissemination, sale, marketing or transfer for any reason or cause whatsoever, as well as the unlawful import, of over fifty copies or reproductions of copyrighted or similarly protected works; uploading a copyrighted work or any part thereof on to an electronic network system using connections of any nature or kind whatsoever (Article 171-ter of Law No. 633/1941 as modified by Law No. 93/2023);
- Failure to notify the SIAE of the identification data of the storage media not subject to marking, or the issue of false statements in such regard (Article 171-septies of Law No. 633/1941);
- Fraudulent production, sale, importation, promotion, installation, modification, public and private use of equipment or part of equipment for decoding audiovisual programmes of restricted access via ether, satellite, cable, in analogical or digital form (Article 171-octies of Law No. 633/1941).

**Article 25-*decies*) Inducement to refrain from rendering testimony or rendering false testimony before judicial authorities** [Article introduced by Law No. 116, Article 4, of 3 August 2009, and differently numbered by Legislative Decree No. 121, Article 2, of 7 July 2011]

- Inducement to refrain from rendering testimony or rendering false testimony before judicial authorities (Article 377-*bis* of the Italian Penal Code).

**Article 25-undecies) Environmental offences** [Article introduced by Legislative Decree No. 121, Article 2, of 7 July 2011 as further amended, by Law No. 68/2015; Article c.2 modified by Article 6-ter, c.3, lett. b) and converted by Legislative Decree No. 21/2018 and last headings modified by Article 6-ter, c.3, of the Law No. 137/2023]

- Environmental pollution (Article 452-*bis* of the Italian Criminal Code) [regulatory tightened by Law No. 137/2023];
- Environmental disaster (Article 452-*quater* of the Italian Criminal Code) [regulatory tightened by Law No. 137/2023];
- Negligent offences against the environment (Article 452-*quinquies* of the Italian Criminal Code);
- Illicit traffic and disposal of highly radioactive materials (Article 452-*sexies* of Italian Penal Code);
- Aggravated conspiracy (Article 452-*octies* of Italian Penal Code);
- Killing, destruction, capture, withdrawal, possession of protected wild animal or plant species (Article 727-*bis* of the Italian Penal Code);
- Destruction or deterioration of habitat within a protected site (Article 733-*bis* of the Italian Penal Code);
- Breaches of the provisions of the Italy's Consolidated Environmental Law (TUA) governing liquid waste, and, in particular, the unlawful discharge of industrial waste water containing hazardous substances (Article 137 of TUA);
- Unauthorised engagement in waste management activities (Article 256 of TUA);
- Pollution/failure to clean up polluted sites (Article 257 of TUA);
- Non-compliance with reporting, register maintenance and record-keeping obligations in respect of waste (Article 258 of TUA);
- Unlawful trafficking in waste (Article 259 of TUA);
- Conspiracy to engage in the unlawful trafficking of waste (Article 260 of TUA - be understood as references being made to Article 452-*quaterdecies* of the Italian Penal Code, by article 7 of the Legislative Decree No. 21 of 1 March 2018);
- Non-compliance with obligations pertaining to the Italian computerised waste traceability control system (SISTRI) (Article 260-*bis* of TUA);
- Sanctions regarding the operation of facilities — Non-compliance with permit requirements for atmospheric emissions (Article 279 of TUA);
- Trade in protected animal or plant species or possession of reptiles or mammals that could endanger public health and safety (Law No. 150/1992);
- Use of ozone-depleting substances (Article 3 of Law No. 549/1993);
- Intentional or negligent pollution of the sea through discharge of waste from ships (Legislative Decree No. 202/2007).

**Article 25-duodecies) Employment of illegally staying third-country nationals** [Article introduced by Legislative Decree No. 109, of 16 July 2012, as further amended, by the article 30 of the Law No.161 of 17 October 2017 and last headings modified by the Legislative Decree No. 20/2023 and converted in Law No. 50/2023]

- Employment of illegally staying third-country nationals (Article 22, (12-*bis*) of the Law No.286/1998),

- Provisions against illegal immigration (Article 12, (3, 3-bis, 3-ter, 5), of the Law No.286/1998 and regulatory tightened by the Legislative Decree No. 20/2023 converted in Law No. 50/2023);

**Article 25-terdecies) Racism and Xenophobia** [Article introduced by Law No. 167, of 20 November 2017]

- Propaganda and incitement to commit racial, ethnic and religious discrimination (Article 3, (3 bis), of the Law No. 654/1975 - be understood as references being made to Article 604-bis of the Italian Penal Code, by article 7 of the Legislative Decree No. 21 of 1 March 2018).

**Article 25-quaterdecies) Fraud in sport competitions, unlawful gaming or betting and gambling by means of prohibited devices** [Article added by Law No. 39 of 3 May 2019, which implemented, in our law, the Council of Europe Convention on the Manipulation of Sports Competitions]

- Fraud in sport competitions (Article. 1, Law No. 401/1989);
- Abusive exercise of playing and betting activities (Article. 4, Law No. 401/1989).

**Art. 25-quinquiesdecies) Tax offences**

[Article introduced by Law no. 157 of 19 December 2019 (so called as Tax Decree) - converting Decree Law no. 124 of 26 October 2019 on "Urgent provisions on tax matters and for urgent needs" and subsequently amended by Legislative Decree no. 75/2020]

- Fraudulent declaration using invoices or other documents for non-existent transactions (Article 2(1) and (2-bis) of Legislative Decree 74/2000);
- Fraudulent declaration by means of other devices (Article 3 of Legislative Decree 74/2000);
- Misrepresentation (Article 4 of Legislative Decree 74/2000) [Crime introduced by Legislative Decree no. 75/2020];
- Failure to declare (Art. 5 del D.Lgs. 74/2000) [Crime introduced by Legislative Decree no. 75/2020];
- Issue of invoices or other documents for non-existent transactions (Article 8, paragraphs 1 and 2-bis of Legislative Decree 74/2000);
- Concealment or destruction of accounting documents (Article 10 of Legislative Decree 74/2000);
- Undue Compensation (Article 10-quater of Legislative Decree 74/2000) [Crime inserted by Legislative Decree no. 75/2020];
- Fraudulent non-payment of taxes (Article 11 of Legislative Decree 74/2000).

**Art. 25-sexiesdecies) Smuggling**

[Article introduced by Legislative Decree 75/2020 implementing the PIF Directive (EU 2017/1371)]

- Smuggling in the movement of goods across land borders and customs areas (Art. 282 Presidential Decree 43/1973);
- Smuggling in the movement of goods in border lakes (Article 283 Presidential Decree No 43/1973);
- Smuggling in the maritime movement of goods (Article 284 of Presidential Decree 43/1973);
- Smuggling in the movement of goods by air (Article 285 of Presidential Decree 43/1973);

- Smuggling in non-customs areas (Article 286 of Presidential Decree 43/1973);
- Smuggling for undue use of goods imported with customs facilities (Article 287 Presidential Decree 43/1973);
- Smuggling in customs warehouses (Article 288 of Presidential Decree 43/1973);
- Smuggling in cabotage and traffic (Article 289 of Presidential Decree 43/1973);
- Smuggling in the export of goods eligible for duty drawback (Article 290 Presidential Decree 43/1973);
- Smuggling on temporary import or export (Article 291 of Presidential Decree 43/1973);
- Smuggling of foreign processed tobacco (Article 291-bis of Presidential Decree 43/1973);
- Criminal association for the purpose of smuggling foreign manufactured tobacco (Article 291-quater of Presidential Decree 43/1973);
- Other cases of smuggling (Article 292 of Presidential Decree No 43/1973)

**Art. 25-septiesdecies) Crimes against the cultural heritage**

[Article introduced by Law no. 22 of 9 March 2022].

- Theft of cultural goods (Article 518 bis of the Criminal Code);
- Misappropriation of cultural goods (Article 518 ter of the Criminal Code);
- Receiving stolen cultural goods (Article 518c of the Criminal Code);
- Forgery in private contracts relating to cultural goods (Article 518-octies of the criminal code);
- Violations relating to the alienation of cultural goods (Article 518-novies of the Criminal Code);
- Illegal importation of cultural goods (Article 518-decies of the Criminal Code);
- Unlawful removal or export of cultural goods (Article 518-undecies of the Criminal Code);
- Destruction, dispersion, deterioration, defacement, defacement and unlawful use of cultural or landscape assets (Article 518-duodecies of the criminal code);
- Counterfeiting works of art (Article 518-quaterdecies of the criminal code);
- Criminal conspiracy (Article 416 of the criminal code).

**Art. 25-duodevicies) Laundering of cultural goods and devastation and looting of cultural and landscape heritage**

[Article introduced by Law No. 22 of 9 March 2022].

- Laundering of cultural goods (Article 518-sexies of the Criminal Code);
- Devastation and looting of cultural and landscape heritage (Article 518-terdecies of the Criminal Code).

**Law No. 146/2006: Transnational organized crime**

- Criminal conspiracy (Article 416 of the Italian Penal Code);
- Mafia-type conspiracy (Article 416-bis of the Italian Penal Code);
- Criminal conspiracy to smuggle foreign processed tobacco products (Article 291-quater of Presidential Decree No. 43/1973);
- Conspiracy to engage in illegal trafficking of narcotic drugs or psychotropic substances (Article 74 of Presidential Decree No. 309/1990);

- Inducement to refrain from rendering testimony or render false testimony before judicial authorities (Article 377-bis of the Italian Penal Code);
- Complicity after the fact (Article 378 of the Italian Penal Code);
- Provisions on clandestine immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5, of consolidated law as per Legislative Decree No. 286 of 25 July 1998).

## **OFFENCES COMMITTED ABROAD**

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The Company may be held vicariously liable for offences committed abroad (pursuant to Article 4 of the Decree).

Pursuant to Article 6, paragraph 2 of the Italian Penal Code<sup>4</sup> vicarious corporate liability as defined in the Decree may arise even if only a part of the conduct or event in question takes place in Italy.

With regard to offences committed entirely abroad by Company Officers or their subordinates in the interest of the Company, the latter may incur vicarious corporate liability in the cases contemplated in Articles 7, 8, 9 and 10 of the Italian Penal Code, provided that the competent authorities of the country in which the underlying Offence was committed do not proceed in respect of the latter.

## **CONSTITUENTS AND REQUIREMENTS FOR THE EXCLUSION OF LIABILITY FOR THE ENTITY**

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Vicarious corporate liability can only be incurred if the underlying Offence was committed “in the interest or to the benefit” of the legal entity in question, and not “in the sole interest of the offender or third parties”.

As per the Ministerial Report accompanying the Decree, the notion of “interest” is subjective in nature, and denotes the purpose for which the offender committed the Offence, whilst the “benefit” or “gain” refers to the objective profits accrued by the legal entity as a result of the Offence.<sup>5</sup>

In this regard, in preparing the Model, and in the underlying risk assessment, account was taken of the recent orientation of the Supreme Court of Cassation - also reiterated by the *Confindustria Guidelines* - which highlights the notion of interest in an objective manner, enhancing the finalistic component of the conduct<sup>6</sup>. On the other hand, in malicious offences, the advantage is characterized as the benefits - especially of a financial nature - derived from the offence<sup>7</sup>, which can be assessed after the offence has been committed, also in terms of cost savings<sup>8</sup>. The notion of advantage takes on a different connotation in non-intentional offences (health and safety and environmental offences) in which the harmful event does not express the interest of the entity and does not translate into an advantage for it: in such cases, the interest or advantage should rather refer to the conduct that does not comply with the precautionary rules (e.g. in saving safety costs or increasing

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<sup>4</sup> Article 6, paragraph 2, of the Italian Penal Code: “The offence shall be deemed to have been committed within the territory of the State, when all or part of action or omission constituting the offence or the event that results therefrom takes place within such territory”.

<sup>5</sup> As per the case law of the Supreme Court, the “interest” is what drove the high-level executive or employee to commit the offence, whilst the “gain” is the objective profit deriving from the offence after the fact (Court of Cassation, 2<sup>nd</sup> Criminal Section, decision No. 3615 dated 20.12.2005 – 30.01.2006).

<sup>6</sup> Cass., II Sez. pen., sent. n. 295/2018; Cass., IV Sez. pen., sent. n. n. 3731/2020.

<sup>7</sup> Cass., II Sez. pen., sent. n. 295/2018.

<sup>8</sup> Cass., IV Sez. pen., sent. n. 31210/2016, Cass., IV Sez. pen., sent. n. n. 3731/2020.



the speed of performance or increasing productivity, sacrificing the adoption of accident prevention measures)<sup>9</sup>.

In terms of the subjective criteria to be established in respect of the legal entity with regard to the Offence, it is worth underlining that vicarious corporate liability arises by reason of the legal entity's defective organisational structure, or more specifically, the lack of an adequate organisational, management and oversight plan designed to effectively prevent the commission of Offences.

Articles 6 and 7 of the Decree provide, in fact, for exclusion of liability in the case where the entity can show that:

- it has adopted and effectively implemented "Organisational, Management and Control Model" aimed at preventing the commission of the criminal offences;
- it has set up a fully independent Supervisory Committee within the company, vested with autonomous powers of initiative and oversight, as well as with specific supervisory duties in respect of compliance with and the implementation and updating of the Model;
- the Offence in question was committed by fraudulently circumventing the Model;
- that the Supervisory Committee was not derelict in the discharge of its duties;

Therefore, BSCCB is not liable for offences committed, by Company Officer or persons subject to the management or supervision of Company Officer, if, in addition to having adopted and implemented the Model, it proves that:

- a) it has initiated an adequate risk assessment process.
- b) BSCCB has appointed a Supervisory Board with duties, requirements and powers as detailed below.
- c) The Supervisory Board is not guilty of omitted or insufficient supervision.
- d) The offender has acted by **fraudulently**<sup>10</sup> evading the provisions of the Model.

More specifically, in order to avoid vicarious corporate liability, the legal entity in question must show that its organisational structure was not at fault, and that is to say, that the Offence was committed despite the proper implementation of all reasonable measures to prevent the commission thereof and to reduce the risk of the same.

It must be borne in mind that the exemption applies only if the Model entails:

- the identification of areas at risk of the commission of Offences, through an appropriate risk assessment process;
- the drafting of specific protocols aimed at planning decision-making and the implementation of corporate decisions with regard to the offences to be prevented;
- the identification of specific financial management procedures aimed at preventing the commission of the Offences;
- the definition of reporting obligations to the Supervisory Committee;
- the setting up of an adequate disciplinary system for the violation of the rules of the code of ethics and procedures imposed under the Model including those of the Whistleblowing Procedure referred to in the paragraph "Channels for Reporting Irregularities (Whistleblowing)".

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<sup>9</sup> Cass., IV Sez. pen., sent. n. 16713/2018, Cass., IV Sez. pen., sent. n. 48779/2019, Cass. pen. Sez. III, sent. n. 3157/2019, Cass., IV Sez. pen., sent. n. 3731/2020.

<sup>10</sup> Without prejudice to the offence of manslaughter and grievous or very grievous bodily harm, committed in breach of the rules on accident prevention and on the protection of hygiene and health at work, the Company shall be exempt from liability for such offences, which are culpable in nature, even in the absence of wilful misconduct.

The Board of Directors shall be responsible for adopting the Model.

The Decree provides that the Models may be adopted, in compliance with the aforesaid requirements, on the basis of codes of conduct drawn up by representative trade associations.

## THE BSCCB MODEL

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### STRUCTURE OF MODEL

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BSCCB Model is made up of:

- a **General Section** illustrating the company's profile, the regulations of reference, underlying principles and the elements making up the model (corporate governance system, internal control system, principles governing the system of delegated powers, code of ethics), the function of the Model, the ways in which the Model is constructed and structured, the recipients of the Model, relations with group companies, the Supervisory Committee Rules, as well as the disciplinary system and the measures to be implemented in order to define, disseminate, amend and/or update the said system;
- the **Special Sections** and associated Sensitive Activity Analysis Sheets (the latter of which are intended for the Company's exclusive internal use) focusing on specific types of Offences which — in light of BSCCB's profile and business operations — could, in the abstract, be committed within the company, and more specifically:
  - Special Section I – Corruption and Inducement Offences (including Smuggling offence and offences relating to Payment Instruments other than Cash limited to the Improper use and falsification of credit and payment cards;
  - Special Section II – Corporate Offences;
  - Special Section III – Violations of Workplace Health and Safety Regulations;
  - Special Section IV – Cybercrimes and Illegal Handling of Data;
  - Special Section V – Environmental Offences;
  - Special Section VI – Receiving, Laundering and Using Money, Assets or Profits Obtained Illegally; Self-Laundering;
  - Special Section VII – Intellectual Property Infringement;
  - Special Section VIII – Offences Entailing Employment of Illegally Staying Third-Country Nationals;
  - Special Section IX – Organised Crime Offences;
  - Special Section X – Tax Offences.
- the **Code of Business Conduct and Ethics** is considered an integral part of the Model although with different purposes and intents. More specifically:
  - (i) The Code of Business Conduct and Ethics is a tool that promotes, in and out of BSCCB, behaviours based on guiding values and contains conduct regulations that all BSCCB associates, at every level, must observe and enforce on behalf and for the benefit of all interest holders or so-called "stakeholder" even with reference to intentional crimes and manslaughter or negligent personal injury committed in violation of workman's safety regulations;
  - (ii) The Model, on the other hand, is designed in response to the specific requirements of Leg. Decree no. 231/01 that aims at preventing the commission of certain types of offences (that, committed apparently to the advantage of the company, could

- entail administrative liability arising from the offence pursuant to the statutory provisions of the Decree itself);
- the **Anti-Bribery Code of Conduct**, which guarantees the principles of transparency and ensures clarity of the behaviours allowed and compliance with anti-corruption regulations insofar as is applicable to BSCCB's pursuit of business;
  - the Corporate Disciplinary System in compliance with the system applicable pursuant to the relevant collective bargaining agreements (CCNL);
  - the Supervisory Committee Regulation.

## **ADDRESSEES OF THE MODEL**

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The rules set forth in the Model apply to all persons who discharge managerial, administrative, strategic decision-making and oversight functions within the Company, albeit on a *de facto* basis, as well as any and all BSCCB employees, including those seconded abroad, and persons and parties that, whilst not part of BSCCB's organisation, act on BSCCB's behalf or are linked to the Company pursuant to contracts entailing so-called "para-employment".

The Company shall disseminate this Model using the procedures deemed most appropriate and effective for ensuring that all the persons and parties bound to comply herewith are fully informed of the contents hereof, it being understood that the provisions set forth herein must be complied with in strict accordance with general principles of loyalty, propriety and diligence inherent to all employment relationships underway with BSCCB. In this respect, BSCCB organises training activities aimed at disseminating the Model to all the addressees, as set forth below.

BSCCB will not tolerate any behaviour in breach of the law and/or the provisions set forth in this Model and the Code of Business Conduct and Ethics, even if the said behaviour is engaged in with the intent of furthering BSCCB's interests or securing some benefit or gain for the Company.

This model shall also apply to all business partners, in light of the provisions specified below.

## **UNDERLYING PRINCIPLES OF THE MODEL**

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Preparing the Model, as well as all subsequent updates, represented an occasion to reinforce Brembo's Internal Control and Risk Management System, and to sensitise employees involved in risk assessment and processing tasks within the framework of corporate control processes especially with a view to proactively preventing the commission of Offences.

In preparing its Model, BSCCB essentially followed the "Guidelines for the construction of Organisation, Management and Control Models" issued by Confindustria on 7 March 2002, updated on 31 March 2008, on 23 July 2014 and most recently updated on 25 June 2021. The process for preparing the Model pursuant to the said Guidelines may be summarised as follows:

- identification of areas at risk, with a view to assessing which corporate areas/sectors are at risk of commission of the offences;

- assessment of the internal audit system already implemented within the Company and identification of any areas for improvement in order to prevent the commission of the Offences;
- preparation/update of the audit system in order to mitigate the risks through the implementation of specific protocols.

Concurrent to the attainment of these objectives are all the organisational structures, activities and operating rules applied — in accordance with instructions from top management — by the company staff and management, with a view to achieving a reasonable level of security in terms of reaching the goals pursued by a good internal control system. The most significant components of the audit system have been identified by Confindustria as follows:

- code of ethics;
- organisational system;
- manual and computer procedures;
- powers of authorisation and signature;
- control and management systems;
- staff training and information to staff.

Moreover, the Audit system must conform with the following principles:

- verifiability, documentability, coherence and congruence of each transaction;
- separation of powers (no person may be independently in charge of an entire process);
- documentation of controls.

## **COMPONENTS OF THE MODEL**

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As noted above, the Model is made up not only of this General Section and the subsequent Special Sections, but also includes BSCCB's Corporate and Compliance Tools that are designed to further enhance the effectiveness of the preventive oversight system implemented throughout the Company and that are also relevant for the intents and purposes of Legislative Decree No. 231/2001 (see above – Structure of the Model).

Reinforcing BSCCB's Model within the meaning of Legislative Decree No. 231/2001 with a set of oversight procedures and documents known as BSCCB's Corporate Compliance Tools not only meets the Company's need to monitor all of its existing and already operational oversight structures and procedures that have also been found effective at preventing the commission of Offences and tightening surveillance of Sensitive Activities, but also serves other functions, especially in light of: (a) the articulated approach to oversight and monitoring required to develop and implement a control system designed to cope with the diversity of the Offences and their varying repercussions on business operations; as well as (b) regulatory obligations to draw up and duly enforce specific compliance instruments (such as the Code of Ethics or the Risk Assessment and Prevention Document mentioned in Article 18 of Legislative Decree No. 81/2008).

BSCCB's Corporate and Compliance Tools — that form integral part of the Model — include the following types of documents, oversight structures and procedures, listed in hierarchical order:

- the **Code of Business Conduct and Ethics**, laying down the general principles and values that must inspire and inform the professional conduct of any and all the persons serving or acting on behalf of BSCCB in any capacity whatsoever, also for

the benefit of all “stakeholders” even with reference to intentional crimes and negligent manslaughter or personal injury committed in violation of accident-prevention and occupational health and safety regulations;

- the **Anti-bribery Code of Conduct**, approved by the Board of Directors, which ensures the principles of transparency and clarity with respect to permitted conduct and compliance with the relevant anti-corruption laws in any place where BSCCB and all persons acting on its behalf in any capacity whatsoever carry out their operations. The Code also sets out BSCCB's policy regarding the acceptance and offering of gifts, hospitality and entertainment (i.e., the free provision of goods and services, for promotional or public relations purposes), defining each party's responsibilities in order to ensure the observance of the highest standards of integrity and avoid any suspicion of inappropriate motivation underlying the offer or acceptance of a gift or act of hospitality, or an undue influence exercised on the recipient or by the recipient who accepts such an offer;
- the **BSCCB Code of Basic Working Conditions**, (but intended exclusively for internal use within the Company and by persons who for any reason or cause whatsoever operate on BSCCB's behalf), that codifies the principles underlying BSCCB's relationships with its employees;
- **Operating Procedures, Instructions**, and BSCCB's **related Internal Authorisation Matrixes**, duly referenced in the Sensitive Activity Sheets, in that they serve the preventive purposes contemplated in the Decree. Other management systems and/or procedures applicable in specified corporate areas, in compliance with specific regulatory requirements, but also serving the preventive goals contemplated in the Decree, such as:
  - Quality Management System, certified in accordance with ISO/TS 16949 technical specifications;
  - Safety, Environmental and Energy Management system, certified for compliance to ISO 45001:2018 standards with regard to safety, and to ISO 14001:2015 standards in respect of the environment and ISO 50001:2018 standards in respect to energy;
  - Information Security Management System, certified for compliance to ISO 27001 standards, which also includes Cyber-security management aspects<sup>11</sup>;
  - all corporate procedures and instructions pertaining to the administrative, accounting, financial and reporting system, as well as the mapping and periodic checking processes applicable to administrative and accounting procedures, implemented pursuant to Law No. 262/2005, which also defines the accounting management methods applicable to BSCCB's financial resources;
  - IT procedures and manuals;
  - internal procedure for the implementation of Risk Assessment and Prevention Document mentioned in Article 18 of Legislative Decree No. 81/2008;
  - the organisational instructions, and organisational charts issued, the job descriptions, and the incentivisation system.

To complete the description of BSCCB's compliance system as a whole, there is also the **BSCCB's System of Delegated Powers** (the delegated powers, the powers of corporate signature, and powers of attorney that provide a clear and fair view of the process through which corporate decisions are made and implemented within the framework of the

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<sup>11</sup> The Subsidiary BSCCB GmbH is certified for compliance to TISAX standards

Company's organisational structure), which serves to prevent the commission of Offences as contemplated under the Decree.

"Delegated power" or "internal management delegated power" means authority vested pursuant to internal assignments of tasks, functions and responsibilities, and reflected in the organisational structure. "Powers of attorney" is an unilateral legal deed (in the form of a public act or in simple form) through which BSCCB attributes powers of representation towards third parties.

The system of delegated powers and powers of attorney adopted by the Company represents:

- a useful management tool for pursuing corporate goals through measures entailing repercussions inside or outside the Company, in a manner that is in line with the managerial responsibilities included in each specific job description;
- a factor for preventing the abuse of the functional powers vested in specific office holders, by capping the expenditure permitted in respect of each delegated task, or category or series of tasks;
- an essential element for tracing the individuals initially responsible for each and every corporate activity entailing repercussions within or outside the Company.

In light of the above, it is clear that the System of Delegated Powers is useful not only for preventing the commission of Offences, but also for identifying, after the fact, the individuals whose actions or omissions played a direct or indirect role in the commission of an Offence. In accordance with the above, BSCCB's System of Delegated Powers is based on the following principles:

- any and all delegated powers, inclusive of powers of attorney, must be in line with each managerial power and the related responsibility within the framework of the organisation;
- all delegated powers and powers of attorney must be conferred and revoked in accordance with the functions discharged within the organisation, especially following organisational changes;
- the documents through which powers are delegated and powers of attorney conferred must contain a clear definition of the managerial powers delegated or conferred via power of attorney, and limits imposed on the exercise of the same;
- the expenditure that may be incurred on the Company's behalf in exercise of delegated powers or powers of attorney must be commensurate with the position held within the organisational structure;
- it has been adopted a policy requiring all financial and banking transactions to be effected by joint signature.

All BSCCB management was directly involved in an in-depth analysis aimed at making it simpler and easier to identify the managers who are given the power to commit BSCCB and to delegate their powers.

1. The persons, on whom notarised powers of attorney may be conferred, include:
  - (l) persons in charge of a specific corporate function (in general, at the organisational level of a Manager part of Management Committee) who, in order to discharge their duties, must be endowed with powers of corporate representation towards third parties, according to the analyses made at the time of the establishment of the JV (BSCCB), and who, for such purpose, are conferred "powers of attorney" by means of a notarised deed that is sufficiently

- broad in scope to cover the functions and managerial tasks entrusted to the person on which such power of attorney is conferred;
- (II) employees identified by the Board of Directors as Employers within the meaning of Article 2 of Legislative Decree No. 81/2008 as further amended and extended, in respect of the production area in Stezzano, and who are conferred the broadest possible powers for implementing any and all occupational health and safety regulations, including authority to vest third parties with responsibility for discharging specific tasks required pursuant to the said regulations, it being understood that in all such cases the power of attorney in question must:
- be conferred on recipients in consideration of their job description and professional experience as well as their hierarchical decision-making and functional powers within the organisational structure (which must obviously be commensurate with the specific nature of the delegated tasks);
  - cover powers and responsibilities that are sufficiently broad to be fully exercised within complex and multi-faceted production units, structure and areas, and to endow the recipient with substantive autonomy in the exercise of the delegated powers;
- (III) solely on an exceptional basis, employees whose job descriptions do not fall within the category mentioned above, but who, by reason of their assigned tasks, are required to represent BSCCB in the latter's relations with public bodies, authorities and administrations (such as for instance, customs authorities, the Provincial Labour Department, etc);
2. powers subject to delegation by means of a notarised power of attorney include:
- permanent powers of corporate representation, conferred through registered notarised powers of attorney, for undertaking tasks inherent to the recipient's job description taking due account of the latter's permanent responsibilities within the organisational structure;
  - powers pertaining to individual transactions, conferred by notarised powers of attorney or other forms of delegation in light of their subject-matter; it being understood that the assignment of these powers is regulated pursuant to prevailing corporate practices, as well as statutory provisions defining forms of corporate representation, taking due account of the nature of the individual transactions to be effected;
3. parties to whom powers have been delegated by simple power of attorney are employees who in discharging the duties associated with their roles engage in dealings with external parties but not with public administrations (clients, suppliers, etc.);
4. recipients of internal management delegated powers are employees who in any event require specific authority for regulated internal processes (governed by procedures, operating instructions, policies, etc.) of which they are owners or one of the key users.

## **PURPOSE OF THE MODEL**

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By adopting this Model, BSCCB intends to:

1. fulfil all the legal requirements and adopt the principles that inspired the Legislative Decree by formalising a structured and organic system, which already exists within the company and is responsible for control procedures and activities (preventive and ex post facto) designed to prevent and monitor the risk that Offences will be committed, through the identification of Sensitive Activities;
2. constitute an effective instrument of corporate management, also acknowledging the Model's function of creating and protecting the value of the company

Indeed, by adopting the Model, BSCCB has the following objectives:

- a) to consolidate an ethos of risk prevention and control in achieving company objectives;
- b) to envisage a system for the constant monitoring of corporate operations in order to allow BSCCB to react promptly to hinder or prevent Offences;
- c) to provide adequate information to employees and all those who act on behalf of BSCCB or are linked to BSCCB, concerning:
  - i. activities entailing the risk of committing Offences in the case of behaviours that do not comply with the Code of Ethics and other corporate rules of conduct/procedures (as well as the law);
  - ii. the penalties that can ensue to them or the company due to violation of legal provisions or BSCCB's internal regulations;
- d) to disseminate and consolidate a corporate culture based on legality, with the express suppression by Brembo of any behaviour that runs counter to law or internal provisions and, in particular, the provisions contained in this Model;
- e) to set up an efficient and balanced corporate organisation with special emphasis on decisions and transparency in decision-making processes, checks to be carried out both before and following decisions, as well as internal and external communications.

To this end, the Model lays down measures designed to improve the efficiency of business operations in constant compliance with statutory and regulatory provisions, identifying measures to eliminate risk situations in a timely manner.

In particular, BSCCB shall adopt and implement efficient organisational and procedural choices for:

- a) ensuring that human resources are recruited, managed and trained in accordance with the principles and policies set forth in the BSCCB's Code of Business Conduct and Ethics and in BSCCB's Anti-bribery Code of Conduct, as well as in compliance with applicable statutory provisions, in particular, Article 8 of the Workers' Charter;
- b) promoting collaboration towards the most efficient implementation of the Model by all parties involved in corporate operations, as well as ensuring the protection and confidentiality of persons who provide true information that is useful for identifying violations of the rules;
- c) ensuring that powers, competencies and responsibilities are distributed and allocated within the corporate organisation in accordance with the principles of transparency, clarity and verifiability and are always in line with BSCCB's actual business objectives;
- d) ensuring that corporate objectives at all levels are realistic and empirically feasible;
- e) identifying and describing BSCCB's business operations, the subdivision of tasks and the Company's organisational chart, in documents that are constantly updated and that provide a clear indication of the powers, competencies and responsibilities of the various parties in the course of individual business activities;
- f) implementing training programmes with a view to ensuring that all those who operate with or within the Company, or who are directly or indirectly involved in activities at risk, are thoroughly familiar with the Code of Business Conduct and Ethics and the Model.



## **PROCEDURES FOLLOWED TO DESIGN THE MODEL**

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In order to ensure that the Model is drawn up and updated in compliance with the provisions of Article 6 of the Decree, BSCCB analysed its corporate context with a view to pinpointing the corporate areas or sectors potentially at risk of commission of the Offences covered under the Decree, as well as the ways and means through which such Offences could be committed, basically following the procedures recommended by Confindustria and broadly summarised below:

- a) performing a **risk-assessment process**, which is made up of the following steps:
  1. **risks identification:** *entailing an analysis of the corporate context with a view to pinpointing the corporate areas or sectors potentially at risk of commission of the Offences covered under Legislative Decree No. 231/2001, as well as the ways and means through which such Offences could be committed;*
  2. **control System plan:** *entailing an assessment of the prevailing system with a view to pinpointing the capabilities to be reinforced or expanded so as to effectively ensure that all the identified risks are contained within acceptable limits;*
- b) setting up of an adequate **disciplinary system** for the violation of the rules of the code of ethics and procedures imposed under the Model, given that all such violations are harmful to the relationship of trust established with the entity and must consequently entail disciplinary actions, regardless of whether criminal charges are formally filed in cases where the violation in question also constitutes a criminal offence;
- c) forming an organ vested with autonomous powers of initiative and control (hereinafter “**Supervisory Committee**”), which is endowed with autonomy, independence, professionalism and integrity, and tasked with overseeing the **effectiveness** of the Model and constantly monitoring its **appropriateness**.

Towards this end, BSCCB, for the purpose of adopting the Model, undertook the following series of activities, subdivided into various phases, with a view to designing a risk prevention and management system that is compliant with the Decree:

### **A) Analysis of potential risks**

- ✓ BSCCB adopted and updated the Model in respect of the Offences covered under Legislative Decree No. 231/2001, on the basis of a preliminary analysis of its sensitive activities and related control mechanisms.
- ✓ BSCCB Management then revised this assessment and proceeded to analyse its corporate context with a view to identifying the extent to which its organisational units, business operations and work processes were potentially at risk of commission of one or more Offences contemplated in the Decree, which was tasked with assessing the findings reached through the risk analysis mentioned above, validating potential risk of commission of one or more the Offences contemplated in the Decree, taking due account of the Company’s Profile and the specific contexts in which BSCCB operates.
- ✓ In identifying and assessing the risk of offences, BSCCB has taken into account the definition of interest and advantage deriving from the most recent interpretation in case law, according to which the notion of advantage takes on a different connotation in culpable offences (health and safety and environmental offences) in which the interest or advantage refers to conduct which does not comply with precautionary rules (e.g. in

saving safety costs or increasing the speed of performance or increasing productivity, sacrificing the adoption of accident prevention measures).

**B) Mapping of the areas/activities found to be sensitive or at risk, and analysis of the related Controlling & Prevention Measures**

- ✓ BSCCB Management then performs the **mapping of the areas/activities found to be sensitive or at risk**, and the **analysis of the related Controlling & Prevention Measures** adopted, defining an action plan and also identifying those subject to the monitoring activity
- ✓ whenever the mapping of the areas/activities found to be sensitive or at risk, and the analysis of the related Controlling Measures had to be updated (such as, in the instance mentioned above, following the extension of Legislative Decree No. 231 to include additional offences or changes in the risk exposure involved in corporate processes), function Legal & Compliance in BSCCB has always:
  - identified the compliance issues arising for the (new or existing) business operations in question;
  - examined the regulatory framework governing the business operations subject to risk assessment by mapping all applicable statutory and regulatory requirements and industry best practices;
  - provided support to all area responsible/officers in the implementation of the action plan activities drawn up by the Management Committee and shared with the Supervisory Committee.
- ✓ the findings of the area responsible/officers must be set forth in specific forms known as “**Sensitive Activity Analyses**” and submitted to the Supervisory Committee to serve as input for the latter in forming its opinion on the effectiveness of the prevailing Model in containing the risk of the commission of Offences
- ✓ The forms in question, all of which are available for consultation at the function Legal & Compliance, must:
  - be itemised in the relevant Special Sections and deemed to form an integral part of the Model;
  - be broken down by offence and by sensitive area, and provide the following information: (i) description of the underlying Offence; (ii) description of the Sensitive Area at risk of commission of the aforesaid underlying Offence; (iii) persons involved in the Sensitive Activity; (iv) Control Environment; (v) description of the Controlling & Prevention Measures in force;
  - be deemed the “mobile” portion of the Model, insofar as they are subject to constant monitoring and updating, and therefore constitute the tool that ensures the Model is more effective and, in particular, that it is constantly updated.

In particular, in the Audit system planning phase, BSCCB has adopted all those components required to guarantee an efficient preventive auditing system:

- ✓ Code of Business Conduct and Ethics;
- ✓ Anti-bribery Code of Conduct;
- ✓ A sufficiently structured and clear organisational system;
- ✓ Manual and computer procedures that regulate activities including suitable control points;
- ✓ Authorisation and signing powers, assigned in consistence with the defined organisational and management responsibilities, including, when required, the prompt indication of expense approval limits;

- ✓ A management control system able to promptly provide indications on the existence or initiation of generally critical situations
- ✓ Staff training and information to staff;

The analysis has shown that the activities and corporate areas considered to be sensitive or more highly exposed to the commission of offences concern the following criminal activities:

- Offences committed in the course of relations with the Public Administration;
- Corporate offences
- Manslaughter and serious or very serious negligent injury committed as a result of violations of accident-prevention and occupational health and safety regulations;
- Receiving, laundering and using money, assets or profits obtained illegally and self-laundering;
- Cybercrime and illegal handling of data;
- Offences in restraint of trade and industry;
- Offences in breach of intellectual property rights;
- Environmental Offences
- employment of illegally staying third-country nationals
- Domestic and Transnational Organised Crime Offences;
- Tax Offences

in respect of which BSCCB has endowed its Model with **Special Sections** detailing the relevant sensitive activities, the persons involved in undertaking the same, and the related control mechanisms.

### **C) Monitoring and updating of Controlling & Prevention Measures**

- ✓ Corporate management consistently monitors and regularly reviews the risk assessment of identified Sensitive Activities, in order to ensure they are still relevant and effective, and with the goal of ensuring that the Model is appropriate to the Company's organisation and, if necessary, update the corresponding Protocols and/or Special Parts.
- ✓ Similarly, the Supervisory Committee shall be empowered/has the duty of recommending additional room for improvement and of identifying further activities at risk that – depending on changes in the statutory framework or BSCCB's business operations – could be included in the list of sensitive activities.

## **ADOPTION OF THE MODEL AND ITS CONSTANT UPDATING**

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Pursuant to Legislative Decree No. 231/2001 and the Italian Civil Code provisions on corporate governance (above all, Article 2381), after the sensitive activities/areas or those at risk of commission of the Offences have been mapped and the related Controlling and Prevention Measures have been duly analysed, the Model will be adopted (or updated) by a specific Board resolution.

1. In addition to the cases mentioned above (the inclusion of new offences under Legislative Decree No. 231 or changes in the risk profile inherent to business operations), the Board of Directors, acting on its own initiative or at the behest of the Supervisory Committee, shall pass timely resolutions amending and/or updating the Model, in the case where violations or evasion of the provisions of the same indicate the Model's unsuitability to effectively prevent offences.

2. The Board of Directors shall promptly update the Model, also on the proposal of the Supervisory Committee, if changes occur in the regulatory system or in the organisation and activities of BSCCB.
3. Model change proposals must be communicated to the Supervisory Board in advance who shall make suitable provisions.
4. In departure from the provisions set forth in the preceding point, the Chairman of the Board of Directors may bring non-substantive changes to the Model insofar as such changes may be required in the interests of greater clarity or efficiency, as well as to merely formal adjustments, such as the updating of the list of offences and of Special Sections cited in the Model's General Section, the updating of BSCCB's description, etc Any and all such changes must be notified to the Board of Directors and the Supervisory Committee.
5. The Supervisory Committee shall, in any event, promptly report to the Chairman, without delay, any events that highlight the need for a revision of the Model. In such cases, the Chairman shall call a Board of Directors' meeting for the purpose of passing the resolutions falling within the purview of the Board. The same shall apply, insofar as is compatible, to changes to be introduced by the relevant corporate departments in the procedures required for implementing the Model. The Supervisory Committee must be given timely notice of, and express an opinion on, any and all amendments to procedures
6. Even upon Supervisory Committee proposal, BSCCB's Board of Directors is empowered to subsequently extend this Model by Board resolution, in the case where it becomes necessary to introduce further Special Parts dealing with new offences that may in the future be included within the scope of application of Legislative Decree 231/2001.

## **THE MODEL AND GROUP COMPANIES**

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BSCCB S.p.A., apart from its particular corporate structure of a Joint-Venture formed by two legal entities, one in Italy and one in Germany, also happens to fully own German BSCCB GmbH. It is the responsibility of the management to make decisions which can be reflected on either partner – or both - as well as to manage the company in Meitingen.

For these reasons:

- the management approved the decision to appoint a Compliance Officer to take care of the implementation, compliance and continuous updating of compliance issues within both companies, based on the guidelines provided by BSCCB S.p.A., which, as a company incorporated under Italian law, is required to comply with Legislative Decree no. 231/2001;
- this Model, as it applies to the Italian company alone, is distributed to all members of the Management Committee of the JV and to all the front lines of the two partners (Brembo N.V. and SGL CARBON SE);
- training sessions are held in Italy, in order to familiarise all stakeholders with the contents of the Model, the Code of Business Conduct and Ethics and the Anti-Bribery Code of Conduct, the latter which are also the subject of training meetings in BSCCB GmbH.

## **SUPERVISORY COMMITTEE**

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BSCCB's Board of Directors has established a **Supervisory Committee**, which has been assigned the duties and powers provided by law.

### ***SUPERVISORY COMMITTEE COMPOSITION***

The Board of Directors nominates the members of the Supervisory Committee exclusively chosen from the individuals with the necessary requisites of autonomy, independence, honour, professionalism, skill and action continuity required by Legislative Decree no. 231/01.

The Supervisory Committee in BSCCB is formed by no less than 2 and no more than 5 members, who are appointed by the Board of Directors.

The members of the Supervisory Committee, as well as the persons delegated with specific tasks by the Supervisory Committee for any reason or cause whatsoever, must be bound by a confidentiality obligation in respect of any and all information of which they may become aware in the exercise of their office or tasks.

The Supervisory Committee shall report directly to the Board of Directors, save where expressly provided otherwise.

The Supervisory Committee shall undertake its tasks especially through streamlined and efficient cooperation with BSCCB's internal control organs and departments.

### ***REQUIREMENTS OF THE SUPERVISORY COMMITTEE***

Requirements of the Supervisory Committee:

#### **a) Autonomy and independence**

Pursuant to Article 6, paragraph 1(b), of the Decree, the Supervisory Committee must be endowed with "autonomous powers of initiative and control". The requirements of autonomy and independence imply that the Supervisory Committee may not be directly involved in undertaking any of the managerial activities it is tasked with overseeing.

The autonomy in question refers to the decision-making authority that is inherent to oversight functions and may be described as the unfettered freedom of self-determination and action, with full technical discretion in the discharge of the functions of a self-referential body.

Such autonomy is, first and foremost, vis-à-vis the Company and its top-level management and executives, with the result that the Supervisory Committee must be in a position to discharge its tasks completely free from any sort of influence or pressure, and may not be involved in undertaking any managerial and/or operational activities whatsoever falling outside the scope of its specific oversight functions.

The Supervisory Committee operates with autonomous powers of initiative, being assigned adequate financial tools which ensure its independent efficiency. For this purpose, the Board of Directors assigns to the Supervisory Committee, according to its prescriptions, a budget to be used for all its institutional activities, which are yearly reported.

**b) Professionalism**

The Supervisory Committee must be professionally capable and reliable, it being understood that these requirements apply to the said committee as a whole, and therefore, also to each and every one of its individual members. The Supervisory Committee must be endowed with all the technical skills required to discharge its assigned functions with the greatest diligence and effectiveness (availing, where necessary, of the expert advice of outside consultants and specialists, as contemplated in the Supervisory Committee Rules, set forth below). These features, together with independence, ensure the objectivity of the Supervisory Committee's findings and opinions.

**c) Constant oversight**

To ensure the ongoing effectiveness and implementation of the Model, the latter must be subjected to constant monitoring for compliance and appropriateness by a corporate structure tasked with oversight on a full-time basis and duly invested with the required investigative powers. The corporate structure in question within the Company is the Internal Audit function in charge of overseeing the implementation and promoting the updating of the Model, on an ongoing basis.

The Supervisory Committee shall be afforded free access to all corporate data, as well any and all the assistance, that it may request or require from corporate functions and structures, in the performance of its oversight tasks. The Supervisory Committee shall report its findings to, *inter alia*, the Board of Statutory Auditors.

Each and every member of the Supervisory Committee must meet the following requirements of autonomy, independence, personal integrity and professionalism.

1. **Independence** means the absence of causes of disqualification or unfitness specified in Article 2382 of the Italian Civil Code, as well as the absence of family relationships up to the fourth degree, whether by blood or by marriage, with any of the directors of the Company or its subsidiaries, parent companies, and/or companies under common control. Company directors who meet the requirements of independence set forth in Article 147-ter of the TUF and/or the Corporate Governance Manual shall also be considered independent.
2. **Professionalism** means that Supervisory Committee members must meet certain specific requirements in terms of professional qualifications and experience<sup>12</sup>, in one or more specialist fields ranging from law (company, criminal, civil, administrative and procedural law) through to accountancy, risk management, corporate compliance, business administration, as well as workplace accident prevention and occupational safety.
3. **Personal integrity** entails:
  - i. the absence of grounds for ineligibility and disqualification under Article 2382 of the Civil Code;
  - ii. not having been subjected to the preventive measures imposed by court order issued pursuant to Law No. 1423 of 27 December 1956, or Law No. 575 of 31 May

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<sup>12</sup> Confindustria explicitly refers to specialist know-how in the field of corporate oversight and control systems analysis, such as statistical sampling, risk assessment and analysis, risk containment measures (authorisation procedures, inbuilt checks and balances, etc.), the flowcharting of procedures and processes for pinpointing weaknesses, interviewing and questionnairerafting techniques, elements of psychology, and fraud detection techniques

- 1965, as further amended and extended, without prejudice to subsequent rehabilitation;
- iii. not having been incurred, pursuant to a final and binding judgement no longer subject to appeal, and without prejudice to subsequent rehabilitation:
- a custodial sentence for having committed one or more offences punishable under regulations governing the banking, financial and/or insurance industries, and/or markets and financial instruments, taxation and payment instruments;
  - a custodial sentence for having committed one or more offences punishable under Title XI of Book V of the Italian Civil Code, and/or Royal Decree No. 267 of 16 March 1942;
  - a custodial sentence of no less than six months for having committed one or more offences against the public administration, in breach of the public trust, or property offences, or offences against public order and/or the public economy;
  - a custodial sentence of no less than one year for any offence committed other than negligently;
  - any sentence whatsoever, for having committed one or more of the offences covered under the Decree;
- iv. not having incurred, at the request of the parties, any of the sentences contemplated in point 2 above, without prejudice to the benefit of the extinction of the offence.

### **REASONS FOR INELIGIBILITY, INCOMPATIBILITY AND REVOCATION FROM THE OFFICE**

Reasons for ineligibility, incompatibility and, in case of occurrence, revocation from the office are the following:

- the lack or the sudden loss of autonomy, independence, professionalism and constant oversight, also including the case of the assignment to the Supervisory Committee member of operating tasks and functions that are incompatible with these requirements;
- relations of kinship, marriage, cohabitation or affinity within the fourth degree with members of the Board of Directors of BSCCB S.p.a or its Subsidiaries;
- ongoing direct or indirect economic and/or other contractual relationships, whether entailing consideration or otherwise, with BSCCB and/or any of its subsidiaries (including service as a Director of BSCCB and/or any of its subsidiaries) and/or with any of the directors thereof. Towards such end, no account shall be taken of service as BSCCB's Acting Auditor, and/or as the Company's Internal Auditing Director, and/or as a member of the Supervisory Committee, in respect of any and all matters pertaining to official tasks and duties discharged in such capacity;
- subjection to preventive measures ordered by the judicial authorities, as well as disqualification from and/or unfitness for holding professional office, declaration of bankruptcy, disqualification — including, of a temporary nature — from holding public office or inability to hold executive positions;
- subjection to criminal proceedings, and/or a conviction or order for the execution of sentencing within the meaning of Articles 444 et seqq. of the Italian Code of Criminal Procedure, including by a court other than the court of last resort, in respect of the Offences covered under the Decree and/or other offences of similar type;
- a finding of guilt, including by a court other than the court of last resort, in respect of one or more of the administrative offences punishable under Articles 187-bis and 187-ter of Legislative Decree No. 58/1998 (hereinafter "TUF");
- a conviction or an order to execute the imposed sentence within the meaning of Articles 444 et seqq. of the Italian Code of Criminal Procedure, whether for one of the Offences

covered under Decree No. 231 or otherwise for one of the administrative offences punishable under Articles 187-bis and 187-ter of TUF, including by a court other than the court of last resort, holding the Company's Supervisory Committee responsible for "having exercise no or insufficient oversight" within the meaning of Article 6, paragraph 1(d), of Decree No. 231;

- a serious dereliction of duty within the meaning of the Model and these Rules, or otherwise serious conflicts of interest that hinder the diligent and effective discharge of official duties, or that compromise the exercise of independent judgement in the exercise of the tasks assigned;
- any breach of the confidentiality obligations imposed under the Regulations of Supervisory Committee;
- failure to attend at least 80% (eighty percent) of Supervisory Committee meetings;
- any and all situations, other than those contemplated above, that could entail non-satisfaction of the requirements of autonomy and independence imposed on Supervisory Committee members.

All the members of the Supervisory Committee are subject to the prohibition against engaging in competition within the meaning of Article 2390 of the Italian Civil Code.

Before taking office, all newly appointed Supervisory Committee members are required to forward to BSCCB's Board of Directors a copy of their CV and a statement attesting that they do not labour under any of the causes of ineligibility mentioned in point B.1, and furthermore, that they undertake not only to discharge the assigned tasks and duties properly, diligently, competently and in accordance with BSCCB's Values, Code of Business Conduct and Ethics and Model, but also to notify the BSCCB's Board of Directors in writing of the occurrence of any circumstances whatsoever warranting their dismissal from the Supervisory Committee.

A Supervisory Committee member may be dismissed by Board resolution, passed in light of the opinion of the Board of Statutory Auditors and the other Supervisory Board members, solely "for just cause", and that is to say, upon satisfaction of one or more of the conditions set forth in points B.1, B.2 and B.4.

### **REPLACEMENT OF SUPERVISORY BOARD MEMBERS**

In the event of the resignation or dismissal of a Supervisory Committee member, BSCCB's Board of Directors shall assess whether or not to appoint a replacement.

In the event of the resignation or dismissal of all the Supervisory Committee members, BSCCB's Board of Directors shall proceed with the appointment of a new Supervisory Committee.

### **SUPERVISORY COMMITTEE POWERS AND RESPONSIBILITIES**

The activities which the Supervisory Body is in charge of can be summarized as follows:

- a) Overseeing the effectiveness of the Model, consisting in checking that the behaviour is in keeping with the Model;
- b) Checking the appropriateness of the Model, that is to say its actual (rather than merely formal) ability to prevent undesirable behaviour, in general;
- c) Analysing that the Model remains stable and effective over time;



- d) Dynamically updating the Model, in the case where analysis shows the need for corrections and adjustments. This should be carried out in two separate and integrated ways:
- submission of proposals for amendments to the Model to the Managing Director. According to the type and extent of the interventions, proposals shall be directed to the Managing Director or, in some cases of significant importance, to the Board of Directors;
  - Follow-up or assessing the implementation and the effectiveness of the proposed solutions.

The Supervisory Committee shall be endowed with autonomous powers of initiative and internal control within BSCCB, so as to allow it to effectively exercise its functions as indicated in the Model and subsequent provisions or procedures adopted in implementation of the same.

The Supervisory Committee shall not and may not be endowed, not even on a substitutive basis, with managerial, decision-making, organisational or disciplinary powers in respect of BSCCB's business activities.

In order to undertake its task of overseeing the effective implementation of the Model adopted by BSCCB, the Supervisory Committee shall be attributed with the following tasks and powers of initiative and control that the said Committee shall exercise in compliance with law and in full respect for the individual rights of employees and any and all other persons involved:

- a) the power to undertake periodic inspections and checks, at the minimum intervals established in light of the various sectors of intervention;
- b) the power to access any and all information and documents concerning activities at risk, it being understood that the Supervisory Committee may obtain such information from any and all the persons bound to comply with the Model;
- c) the power to avail, after informing the Managing Director of BSCCB S.p.A., external consultants for particularly complex problems or problems that require specific expertise;
- d) the power to submit to the General Manager of BSCCB S.p.A. proposals for the adoption of the disciplinary sanctions contemplated in the specific paragraph;
- e) the identification of any activities at risk in addition to those indicated in the Model which, according to legislative or BSCCB business evolutions, can be included as sensitive activities;
- f) carry out periodic checks of the system of delegated powers in force, and the coherence thereof with the overall system of organisational communications (these are those internal company documents with which powers are assigned), and shall recommend changes in the case where the powers of representation conferred on certain persons are not proportionate to their actual managerial duties and/or job description, or where other anomalies are found.

### ***FLOWS OF INFORMATION TOWARD THE SUPERVISORY COMMITTEE***

Within the corporate framework, the Supervisory Committee must receive not only the documents required under the various parts of the Model, but also any and all information that reaches the Internal Audit, including from third parties, pertaining to the implementation of the Model itself within areas at risk. Such information shall include in general any and all reports of the commission of an offence covered under the Decree and subsequent laws in respect of BSCCB's business, or any behaviour of the recipients of the Model that is not in keeping with the rules of conduct in force within BSCCB.

In view of the particular corporate structure of the Joint Venture made up of two legal entities, one in Italy and one in Germany, BSCCB S.p.A. has activated internal reporting channels with electronic procedures that include encryption tools to guarantee the obligation of confidentiality, through a channel that can be reached, in the Italian company

- through the Web Legality Whistleblowing Platform

- through the Mobile Legality Whistleblowing App

the management of which is entrusted to GCF Internal Audit of Brembo N.V., and in the German company BSCCB GmbH, represented by the Ombudsperson, both of which have the task of carrying out the preliminary assessment and verification of any report received from any person connected to the German company and of immediately notifying the Supervisory Board, should it be assessed that the report falls within the scope of application of the Organisation, Management and Control Model for the purposes of Legislative Decree no. 231/01.

Reports may pertain to any and all the employees, members of governing boards (Shareholder Committee and Auditors' Committee) and of the Independent Auditors, as well as other third parties (customers, suppliers, consultants, collaborators, partners) maintaining business relations with BSCCB. Those reports relate to, inter alia, violations of the Code of Business Conduct and Ethics, of the Anti-bribery Code of Conduct, of the Organizational, Management and Control Model, as provided for by the Reporting Procedure distributed and made available to the BSCCB Group.

The reference principles guiding the handling of whistleblowing are set out in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)" and in the Whistleblowing Procedure distributed and made available to the BSCCB Group.

#### *Reporting obligations in respect of official deeds*

The Supervisory Committee must necessarily be informed of any and all reports regarding:

- a) orders and/or notices by the judicial police or any and all other authorities, pertaining the investigations, including against unknown parties, in respect of an offence covered under the Decree as further extended;
- b) requests for legal assistance forwarded by company directors, officers and/or employees, in the case of the launching of legal proceedings in respect of an offence covered under the Decree as further extended;
- c) reports received in respect of the actual implementation of the Model at all levels of the Company, with an indication of the disciplinary action taken and any sanctions imposed (including on employees) or the filing without further action of such reports, providing reasons for the same.
- d) assessments on Audit firm selection;
- e) any existence of incompatibilities between the Auditing firm and the Certified company;
- f) any duty assigned or intended to be assigned to the Auditing firm other than that concerning financial statement certification;
- g) the implementation of the Model in areas of risk. Such information shall include in general any and all reports of the commission of an offence covered under the Decree 231/2001 and subsequent laws in respect of the BSCCB Group business, or any behaviour that is not in keeping with the rules of conduct in force within the Group;
- h) The system of delegation of powers adopted and every subsequent change thereto;

- i) Reports and/or communications from Workman's safety institutions and institutions of joint nature (Health institutions or Provincial Labour Office or Workman's safety representatives, etc.) that indicate investigations are in progress, even without suspects, for the offences stated in Legislative Decree 231/200, art. 25-septies;
- j) Report on work accidents that occurred in BSCCB S.p.A. indicating their severity, with separate indication of accidents that caused over 40 days absence from work or of serious extent;
- k) Serious non-conformities found by Facility Safety and Logistics managers' audits that could constitute significant workman's safety risks and potential commission of "manslaughter or serious or very serious negligent injury with violation of workman's safety regulations", shared with competent institutions but yet to be resolved.

At least twice a year, based on the previous information, a Periodic Report is drafted towards the Supervisory Committee.

### **FLOWS OF INFORMATION BY THE SUPERVISORY COMMITTEE**

The Supervisory Committee must report its findings to the Board of Directors and the Managing Director.

In the event offences are committed by top executives, the Supervisory Committee directly reports to the Board of Directors and the Board of Auditors.

The Supervisory Committee shall periodically draft, and at least once a year, a written report on the activities undertaken, together with a reasoned statement of account of any and all expenses, where applicable, to the Chairman of the Board of Directors, the Managing Director and, for his/her information, to the Chairman of the Board of Auditors. The reports, to be recorded in the minutes of the meetings of the aforesaid organs, may contain proposals for the extension or amendment of the Model.

The periodic reports by the Supervisory Committee must be drawn up especially so as to enable the Board of Directors to make the necessary assessments for updating the Model and must at least contain, explain or report:

- any and all problems encountered in respect of the implementation of the procedures set forth under the Model or adopted in implementation or in light of the Model and the Code of Business Conduct and Ethics;
- a summary of the reports received from internal and external parties if the report falls within the scope of the Organisation, Management and Control Model for the purposes of Legislative Decree 231/01;
- a summary of the report of the reports received by the Ombudsperson;
- the disciplinary procedures and sanctions applied by BSCCB, with reference solely to activities at risk;
- an overall assessment of the functioning of the Model, with indications, if necessary, pertaining to proposed extensions, corrections or amendments;
- changes in the regulatory system or business organisation.

### **RULES OF THE SUPERVISORY COMMITTEE (ODV)**

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The BSCCB Supervisory Committee has adopted specific regulations that are an integral part of this Model.

## **COMMERCIAL DEALINGS WITH BUSINESS PARTNERS**

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With regard to business partners, BSCCB has given concrete application to the principles set forth in the Code of Business Conduct and Ethics and the 231 Model, adopting the following measures (to be applied selectively on the basis of an assessment taking due account of the various types of business partner):

- the undertaking of an ethics-specific due diligence on suppliers, in the broadest sense, and including service providers, such as agents and consultants, to the sole exclusion of intellectual service providers (in particular, including a section devoted to verifying certain compliance requirements in the Supplier Pre-assessment Questionnaire that the Purchasing Department submits during the selection phase for possible business partners);
- the inclusion in the General Supply Terms and contractual specifications applicable worldwide of compliance clauses designed in line with the goals described below (and requiring, amongst the other things outlined below, not only compliance with applicable regulations and the relevant provisions of BSCCB's Model and the internal rules, but also subjection to auditing aimed at verifying that the supplier also properly fulfils its compliance obligations);
- the inclusion of clauses requiring compliance with BSCCB's Code of Basic Working Conditions in agreements with certain vendors and suppliers;
- the inclusion in its contracts, as well as purchase orders, of clauses that grant BSCCB the right, where deemed appropriate, to terminate the contract if the counterparty is charged (including as a measure of merely precautionary nature) with one of the "trigger offences" envisaged by Legislative Decree No. 231/2001.

In addition, whenever the Client proposes contractual clauses that refer to ethical values, BSCCB requires that both parties assume an obligation to one another to comply with their code of ethics and not to breach rules of conduct.

The inclusion of the foregoing clauses (referred to hereinafter as "231 Clauses") in relations with business partners serves the following objectives:

- Ethics: maximising the importance and essential nature that BSCCB attributes to the actions of parties with which it comes into contact;
- Information: making its counterparties aware of its ethical values, as enshrined in the Code of Business Conduct and Ethics, and principles of conduct, as set forth in the 231 Model, which inspires BSCCB's behaviour;
- Protection: safeguarding its reputation through the power to terminate contracts, where deemed appropriate, if the counterparty is charged with one of the triggering offences envisaged by Legislative Decree No. 231/2001. It is understood that, regardless of the inclusion of the "231 Clause," protection is nonetheless always considered achieved when BSCCB is granted a discretionary withdrawal option in a contract.

## **DISCIPLINARY FRAMEWORK**

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### **GENERAL PRINCIPLES**

The Model imposes rules of conduct aimed at preventing the commission of the offences contemplated under the Decree and more generally, at ensuring the proper application of internal procedures (see Articles 6(2)(e) and 7(4)(b) including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)").

The rules imposed under the Model are adopted by BSCCB in complete autonomy, given the need to ensure compliance with the regulatory framework binding on the Company.

The setting up of a proper disciplinary framework is essential to the functioning of the Model and the related procedures, including the Reporting Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)". Since the application of the disciplinary system and relevant actions refer to the violation of rules of the Model, such application may be taken regardless of whether or not criminal charges are brought or the offences are successfully prosecuted by the judicial authority. The system applies to all company employees and directors, as well as any and all persons and parties that have entered into contractual relations with BSCCB.

Any breach of the Model or of the procedures established to implement it, including the Reporting Procedure set out in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", committed by any person, must be immediately communicated in writing to the Supervisory Board by the recipients of this Model, without prejudice to the procedures and measures falling within the competence of the holder of disciplinary power. Violations of the Model also include violations of the measures for the protection of the reporter, provided for in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", and in the Reporting Procedure.

It is understood that in the event that the reporting person is found to be criminally or civilly liable, even in a court of first instance, for the offences of defamation or slander, in cases of wilful misconduct or gross negligence, the protections are no longer guaranteed and a disciplinary sanction may be imposed on the reporting person.

The Supervisory Committee must immediately proceed with the necessary investigations, ensuring the confidentiality of the person against whom action is to be taken.

The Supervisory Committee shall, using the investigatory tools and procedures it deems fit, verify that from the very outset of their relationship with BSCCB, all the persons and parties to which the Model applies are duly informed of the disciplinary system and trained in respect of its contents.

Disciplinary proceedings must, in any case, be managed in compliance with the requirements of the legal status of the party against whom proceedings are being taken.

### **APPLICABILITY TO WORKERS, OFFICE STAFF AND MIDDLE MANAGERS OF THE COMPANY**

The corporate disciplinary system is based on the rules set forth in such regard in the Italian Civil Code, the Workers' Charter and the applicable National Collective Bargaining Agreement, and the applicable law in force.

The disciplinary measures applicable to blue collars, office staff and middle managers contemplated under the National Collective Bargaining Agreement include:

1. verbal reprimand;
2. written warning;
3. a fine of up to three hours of minimum remuneration;
4. suspension from work without pay up to a maximum of three days;
5. dismissal with notice;
6. dismissal without notice.

In compliance with the National Collective Bargaining Agreement, the system highlights behaviour meritorious of disciplinary action, on the basis of the seriousness of each case, listing the sanctions applicable in consequence thereof.

Apart from the examples of such behaviour provided in the applicable National Collective Bargaining Agreement, workers engaging in the following behaviours, by way of commission or omission, including in complicity with others, shall be exposed to disciplinary action:

- a) those who violate the internal procedures set forth in the Model, including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", as a result of "non-compliance with service-related provisions";
- b) those who violate the internal procedures set forth in the Model, including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", by engaging in behaviour consisting in "tolerance of anomalies during work operations" or "non-compliance with service-related duties and obligations, without entailing prejudice to the service or BSCCB's interests";
- c) those who violate the internal procedures set forth in the Model, including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", or engage, during the course of activities in areas at risk, in a behaviour that is not compliant with the requirements of the Model, or of the procedures established in implementation thereof, including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", in the case where such behaviour amounts to "refusal to carry out orders pertaining to service obligations" or "habitual negligence or habitual non-compliance with statutory or regulatory obligations or service obligations in the course of their work" or, in general, any and all negligence or deliberate failure to comply with laws or regulations or service obligations, and that is not otherwise punishable;
- d) those who, during activities in areas at risk, engage in a behaviour that is not compliant with the requirements of this Model, or of the procedures established in implementation thereof, including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", in the case where such behaviour amounts to "irregularity, recklessness or negligence, or non-compliance with laws, regulations or service obligations, compromising the safety and regularity of the service and entailing serious damage to BSCCB's or third-party property";
- e) those who, during activities in areas at risk, engage in a behaviour that is clearly in breach of the requirements of this Model, or of the procedures established in implementation thereof, including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", to such an extent as to entail the concrete application against Brembo of the measures contemplated in the Decree, such behaviour being regarded as "wilful violation of laws, regulations or official duties that may occasion or have occasioned serious prejudice to BSCCB or third parties";

- f) those who have directly committed an offence contemplated in Legislative Decree No. 231/2001.

The Supervisory Board must be involved in the procedure for investigating violations and imposing sanctions for violation of the Model or the procedures established to implement it, including the Reporting Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)". This means that a disciplinary measure or a disciplinary sanction cannot be filed, for breach of the Model or of the procedures established to implement it, including the Reporting Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", without prior information and the opinion of the Supervisory Board.

Formal allegations may entail the revocation of any and all powers of attorney conferred on the person concerned.

The type and severity of the aforesaid penalties shall be determined taking due account of, *inter alia*:

- the level of negligence, carelessness or ineptitude, as assessed in light of the foreseeability of the event;
- the job description, position and responsibilities of the persons concerned.

### **APPLICABILITY TO TOP MANAGEMENT**

In the case of a violation of the Model, including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)" by the top management, the Company shall apply the most appropriate measures provided for under applicable regulations and the National Collective Bargaining Agreement, up to the termination of the employment contract.

In such cases, moreover, the executive may face the revocation of any powers that may have been delegated to him/her and, if possible, a change in his/her job description.

Disciplinary measures, as well as any and all claims for damages, must be commensurate with the job description, position and level of trust inherent to the responsibilities vested in the person concerned.

The Supervisory Committee must necessarily be involved in the investigations into the violation and the procedure for the imposition of disciplinary sanctions to executives following the breach of the Model or the procedures established to implement it, including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", in the sense that no disciplinary measure or disciplinary sanction may be filed for breach of the Model or of the procedures established to implement it, including the Reporting Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", to a manager without prior information and, over requested by the holder of the disciplinary power, the opinion of the Supervisory Board.

### **APPLICABILITY TO DIRECTORS AND AUDITORS**

This Model must be delivered to all members of the Board of Directors and the Board of Statutory Auditors.

In the event of breaches of the internal procedures entrenched in the Model, including the Whistleblowing Procedure referred to in the following paragraph "Channels for Reporting Irregularities (Whistleblowing)", by one or more members of the Board of Directors and/or

the Board of Statutory Auditors, the Chairman of the Supervisory Committee shall give notice thereof to the entire Board of Directors and the Board of Statutory Auditors which shall then determine the action to be taken in respect of the said non-compliant member or members, in accordance with applicable regulations.

Disciplinary measures, as well as any and all claims for damages, must be commensurate with the job description, position and level of trust inherent to the responsibilities vested in the person concerned.

### **APPLICABILITY TO BSCCB'S CONTRACTUAL COUNTERPARTIES**

In the event of a breach of the provisions of Leg. Decree no.231/01 and of the Model, or at any rate, of a behaviour that construes a risk of committing one of the offences contemplated by Leg. Decree no. 231/01 by anyone who entertains contractual relations with BSCCB (for example, consultants, partners and suppliers), the contract relationship may be terminated and any sanction specifically set by the clauses in the job order and/or partnership contracts shall apply.

Sanctions of disciplinary nature as well as any damage claims will be proportionate to the level of responsibility, job position and intensity of the trust breached correlated to the assigned duties.

### **TRAINING AND INFORMATION REGARDING THE MODEL**

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In order to enhance the effectiveness of this Model, BSCCB intends to ensure proper awareness about and divulgation of the rules of conduct contained herein, with differing degrees of detail in function of the extent to which recipients are involved in sensitive activities.

All company employees and stakeholders must be informed of the adoption of the Model and any and all updates of the latter, immediately following approval of the same.

The Model shall be published in full on the Company's Intranet site, whilst only the General Section and some of the Special Sections will appear on BSCCB's website, to the exclusion of portions deemed too sensitive for disclosure outside the Company.

New recruits will be provided with an information package (National Collective Bargaining Agreement, Code of Business Conduct and Ethics, Welcome Kit, etc.), designed to ensure that they are aware of the principles deemed to be of fundamental importance within the Company. All new recruits will be bound to provide BSCCB with a signed declaration attesting that they have received the information package, are fully aware of the documents thereto attached and undertake to comply with the provisions therein contained.

Training activities will be targeted at familiarising recipients with the provisions of Legislative Decree No. 231/2001, as further amended and extended, and will be vary, in terms of content and training methods, in function of the job description of recipients, the level of risk involved in the area in which they operate, as well as on the basis of whether or not they are empowered to represent BSCCB towards third parties.

Each year, the training plan is submitted for review by the Supervisory Committee and is constantly updated according to the state of progress thereof.



Beginning in July 2018, in addition to traditional classroom training, self-learning is available through the use of multi-media materials distributed to the employees involved (executives, middle managers and office staff), as self-learning was deemed especially effective in that it allows:

- a record to be kept of the documentation used for training purposes and recipients of training;
- certification of course attendance, with monitoring of the beginning and end of each course;
- course efficacy to be reviewed according to the score obtained on the test-out.

## **WHISTLEBLOWING CHANNELS**

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Since 2007, BSCCB has set up whistleblowing information channels in both Italy and Germany to ensure the reporting of irregularities or violations of the Code of Ethics and Business Conduct, the BSCCB Organisation, Management and Control Model pursuant to Legislative Decree 231/011 and any anomalies or weaknesses in the Company's Internal Control System.

Directive (EU) 2019/1937 on the protection of persons who report breaches of Union law which come to their attention in a public or private employment context (the so-called Whistleblowing Directive) has been implemented and transposed in Italy by Legislative Decree No. 24/2023 and in Germany by the Whistleblower Protection Act.

In particular, Legislative Decree no. 24/2023 repealed and amended the previous national regulations (repealed art. 6, paragraphs 2 ter and 2 quater, Legislative Decree no. 231/2001 and art. 3 of Legislative Decree no. 179/2017 and amended art. 6 paragraph 2 bis of Legislative Decree no. 231/01), enclosing in a single regulatory text - for the public sector and the private sector - the protection regime for persons who report unlawful conduct that violates not only European provisions, but also national provisions, provided that they are based on well-founded grounds and are detrimental to the public interest or the integrity of the entity, in order to ensure the transposition of the directive without retreating from the protections already recognised in our system.

In compliance with Directive (EU) 2019/193, as implemented and transposed in Italy and Germany, as of 15 July 2023:

### **1. Internal Reporting Channel and Management of Individual Reporting Channels**

BSCCB has activated internal reporting channels specifically set up on the basis of both Italian and German legislative prerogatives, in order to ensure compliance with the values and principles of the BSCCB Group, and in particular

- the Global Central Function Internal Audit of Brembo N.V., in the person of the Chief Internal Audit Officer, as an autonomous dedicated office with staff specifically trained to manage the whistleblowing channel, is in charge of managing the internal whistleblowing channel, which has the task of receiving any whistleblowing reports from anyone who has a relationship with BSCCB S.p.A. by means of a platform which, by means of information technology and encryption tools, is suitable to ensure the confidentiality of the identity of the whistleblower or of the persons involved, the content of the report and the related documentation.

**The channel is accessible:**

- from the **Legality Whistleblowing web platform**
- from the **Legality Whistleblowing Mobile App.**
- **the German Ombudsperson** is in charge of managing the internal whistleblowing channel that is responsible for receiving whistleblowing reports from all those connected to BSCCB GmbH, through:
  - **Verbal reports** to the 'Ombudsperson';
  - **Ordinary mail or by hand** (sealed "strictly confidential" envelope to be sent to the "Ombudsperson" - H S K | Arbeits- und Wirtschaftsrecht for the attention of the Rechtsanwalt Prof. Dr. Sandmann, Steingasse 13, 86150 Augsburg (Deutschland);
  - **E-mail** to the e-mail address ([info@hsk-arbeitsrecht.de](mailto:info@hsk-arbeitsrecht.de));

It is specified that the Ombudsperson is the person in charge of carrying out the preliminary verification of the aforementioned reports, in order to decide whether or not to proceed with the investigation, promptly notifying the BSCCB S.p.A. Supervisory Board. It is understood that the Supervisory Board will be entitled to request the Ombudsperson to collect additional information and carry out further verifications.

The Ombudsperson also guarantees an adequate flow of information, transmitting once a year to the Supervisory Board the report of the reports, in which evidence is given, in aggregate and anonymous form, of the reports received and the relative state of progress.

Reports can be made either in written or oral form.

The reporter may also request a direct meeting with the channel manager by leaving a written or oral message in the platform or at the Ombudsperson's addresses. The report, with the consent of the reporter, will then be recorded in the platform to ensure proper handling.

Reports and related documentation are kept no longer than five years from the date of closure.

Processing of personal data is carried out in accordance with EU Regulation 2016/679. 2)

## **2) Reporting Parties**

Reports may be made by persons connected with BSCCB's activities, such as: employees of the BSCCB group; self-employed workers, collaborators, freelancers and consultants; employees or collaborators of suppliers, contractors or sub-contractors; customers; volunteers and trainees; shareholders and persons with administrative, management, control, supervisory or representative functions.

## **3) Subject of Reports**

The report may concern conduct, acts or omissions connected with the activities of the BSCCB Group, including violations of the Organisation, Management and Control Model pursuant to Legislative Decree 231/01 and violations of other company codes of conduct, policies and procedures for which the reporting channel is provided (by way of example but not limited to: Code of Ethics and Business Conduct, Anti-Corruption Code of Conduct, Privacy Policy, Code of Basic Working Conditions).

It should be noted that when the Chief Internal Audit Officer or the Ombudsperson ascertains that the report falls within the scope of application of the Organisation, Management and Control Model for the purposes of Legislative Decree 231/01, it is notified through the platform also to the Chairman of the BSCCB S.p.A. Supervisory Board, who may have access to the contents of the report, as the body responsible for managing such reports.

## **4) Whistleblowing Procedure**

BSCCB has adopted a procedure aimed at guaranteeing the safeguarding of confidentiality and the protection of personal data, as well as regulating the methods of keeping the documentation relating to the report (feedback, verification and analysis), guaranteeing that the same is carried out in the manner and within the timeframe provided for by the regulations in force from time to time (hereinafter "Reporting Procedure") In order to guarantee the widest possible dissemination, the Reporting Procedure is posted on company notice boards, published on the BSCCB intranet portal and published on the platform accessible from the Brembo N.V. website. The Whistleblowings Procedure applies to all whistleblowings received through the whistleblowing channel indicated above and managed by the Global Central Function Internal Audit of Brembo N.V. and(or) the Ombudsperson.

Moreover, consistent with the provisions of Legislative Decree No. 24/2023 and the Whistleblower Protection Act, the possibility for the reporting person to use external reporting channels established by the authorities of each country is recognised.

## **SPECIAL SECTIONS**

### **INTRODUCTION TO SPECIAL SECTIONS**

The Special Parts of the BSCCB Model are structured as follows:

1. Summary description of the offences distinguished by macro-category;
2. Indication of the assessment of the degree of applicability of the Crimes covered by the individual Special Part
3. Illustration of the main Sensitive Company Activities/Areas identified as subject to risk on the basis of the Company's profile
4. Definition of the general principles/rules of conduct adopted in BSCCB in order to prevent the occurrence of unlawful conduct and to guard against the risk of the commission of the Crimes
5. Control Protocols adopted by Brembo (reference to the relevant "sensitive activities analysis" sheets - "mobile" part of the Model).

The findings reached through risk assessment and analysis of the Company's business operations as a whole suggest that the probability of the commission of following Offences is not material:

- currency falsification offences, save for counterfeiting;
- market abuse offences;
- some corporate offences, applicable only to Listed Companies;
- offences against the person involving pornography, illicit brokering and labour exploitation, female genital mutilation, and child prostitution, including child enticement and certain cross-border offences;
- infibulation offences;
- some transnational offences;
- terrorism offences, or the subversion of the democratic order, and offences involving the holding of persons in slavery, human-trafficking, slave trading, trade in organs from living persons and forms of racial discrimination;
- fraud in sporting competitions, unlawful gaming or betting, and gambling by means of prohibited devices;

- violation of the rules on national cyber security<sup>13</sup>;
- Offences in breach of intellectual property rights [Article introduced by Law No. 99 of 23 July 2009 and modified by Law No. 93/2023]
- Offences committed in relations with the Public Administration, in particular:
  - Fraud in public supplies (Article 356 of the Italian Penal Code);
  - Fraud against the European Agricultural Guarantee Fund and the European Fund for Rural Development (Article 2 of Law 898/1986);
  - Bid Rigging (Article 353 of Italian Criminal Code) [crime introduced by Law No. 137/2023]
  - Interference with the Tender Process (Article 353-bis of Italian Criminal Code) [crime introduced by Law No. 137/2023]
  - Offences relating to non-cash payment instruments [introduced by Article 3 of Law no. 184/ 2021], with reference to the possession and dissemination of computer equipment, devices or programmes aimed at committing offences relating to non-cash payment instruments (Article 493-quater of the Criminal Code) and the offence of "computer fraud" (Article 640-ter of the Criminal Code);
  - Crimes against cultural heritage (introduced by Article 3 of Law No. 22/ 2022);
  - Laundering of cultural goods and devastation and looting of cultural and landscape heritage (introduced by Article 3 of Law no. 22/ 2022).
- some of the environmental offences associated with:
  - killing, destruction, capture, withdrawal or possession of protected wild plant and animal species (Article 727-bis of the Italian Penal Code);
  - destruction or deterioration of habitat within a protected site (Article 733-bis of the Italian Penal Code);
  - trade in protected animal or plant species or possession of reptiles or mammals that could endanger public health and safety (Law No. 150/1992);
  - intentional or negligent pollution of the sea through discharge of waste from ships
  - (Legislative Decree No. 202/2007);

since:

- i) the business operations conducted by the Company in light of its profile and corporate object clause provide little opportunity for the commission of the said offences;
- ii) there is no way the said offences could be committed in the interest or for the benefit of the Company, as required for vicarious corporate liability to arise pursuant to the Decree.
- iii) the Company, in relation to these offences and the risk connected to them, has adopted a Code of Business Conduct and Ethics, promoting behaviors inspired by guiding values.

With reference to Self-laundering (Article 648-ter 1 of Italian Penal Code), introduced into Italy's penal system through Article 3, paragraph 5, of Law No. 186 of 15 December 2014, BSCCB's existing preventive measures concerning sensitive processes at risk of commission of illegal money receiving and laundering (as indicated in the Decree) are to be considered, by way of preliminary analysis, appropriate and capable of preventing also the newly introduced offence of self-laundering.

It is also reasonable to assume that in updating the 231 Model to the new offences introduced by Legislative Decree No. 195 of 8 November 2021 - which extends Art. 25-octies to new predicate offences of «receiving stolen goods, money laundering, self-

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<sup>13</sup> Please note that BSCCB is not among the entities included in the national cybersecurity perimeter as per Article 1 of Legislative Decree No. 105 of 21.09.2019.

laundering and use of money, goods or benefits of unlawful origin» including - for the sake of simplification - also facts concerning money or things deriving from offences and, in the case of money laundering and self-laundering, also culpable offences - it is necessary to look at the typical conduct of the offences referred to in Article 648 et seq. of the Criminal Code regardless of the nature of the offence underlying them, considering the measures adopted to prevent/mitigate the non-compliance risks (other than those indicated in the Decree) inherent to administrative-accounting and fiscal operations as adequate tools to prevent behaviors which can potentially result at risk of commission of self-laundering and regardless of whether the underlying offences fall within the catalogue of predicate offences 231.