



# SIBYLLA<sup>®</sup>

Fold the future

**Organisation, management and control model  
in accordance with Legislative Decree 231/2001**

## **GENERAL SECTION**

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Attachments:

- Code of Ethics.

## DEFINITIONS AND ABBREVIATIONS

- “Sibylla” or “Company”: Sibylla Biotech S.p.A., with registered office in Bresso (MI), via Lillo del Duca 10, 20091.
- “Sensitive Activities”: the activities carried out by the Company exposed to the risk of commission of Offences.
- “CCNL”: the National Collective Labour Agreement currently in force and applied by the Company.
- “Collaborators”: self-employed workers and other third parties who perform their professional activity on a continuous basis for the Company (e.g., internal consultants and other professionals with VAT registration).
- “Employees” means all employees with an employment contract employed by the Company (incl. any managers).
- “Addressees”: those parties indicated in section 3.7 of this Model.
- “Legislative Decree 231/2001” or “Decree”: Legislative Decree No. 231 of 8 June 2001 and subsequent amendments and additions.
- “Suppliers”: the Company’s suppliers of goods and services, professional and non-professional, including those of a financial nature.
- “Functions”: the company functions assigned to carry out the activities relevant to this Model.
- “Confindustria Guidelines”: the guidelines for the construction of organisation, management and control models under Legislative Decree 231/2001 approved by Confindustria, in the latest version published in June 2021.
- “Model”: the organisation, management and control model required under Legislative Decree 231/2001.

- “Board of Directors”: the board of directors appointed by the Company.
- “SB”: the internal body responsible for supervising the operation of and compliance with the Model and its updating.
- “P.A.” or “Public Administration”: the Public Administration (incl. its officials and subjects in charge of a public service), i.e., the judicial authorities; Italian, foreign, national and local institutions and public administrations, the Antitrust Authority, the Personal Data Protection Authority, the Authority for Electricity, Gas and Water System and other Italian and foreign Supervisory Authorities, or private individuals equivalent to the same, as well as their officials and internal bodies.
- “Partners”: the parties, both natural and legal persons, with whom the Company enters into any form of contractually regulated cooperation relationship (temporary business association – ATI, joint ventures, consortia, etc.), where they are destined to cooperate with the Company in the context of Sensitive Activities.
- “Personnel”: the Employees and Collaborators of the Company.
- “Public Officials”: (a) any person exercising a legislative, judicial or administrative public function; (b) any person acting in an official capacity in the name of or on behalf of: (i) a Public Administration of a State, whether local, national or federal; (ii) an agency, office or body of the European Union or of a Public Administration of a State; (iii) where the law of the relevant State so provides, an enterprise owned, controlled or participated in by a Public Administration of a State, unless such enterprise operates on a normal commercial basis in the relevant market, i.e., on a basis substantially equivalent to that of a private enterprise; (iv) a public international organisation, such as the European Bank for Reconstruction and Development, the International Bank for Reconstruction and

Development, the International Monetary Fund, the World Bank, the United Nations or the World Trade Organisation; or (v) a political party, a member of a political party or a candidate for political office, whether Italian or foreign; (c) any person in charge of a public service, i.e., a person who, for any reason, performs a public service (i.e., an activity that is regulated in the same manner as a public function, but characterised by the lack of the powers typical of the latter). The performance of simple orderly tasks and the performance of merely material work are excluded.

- “Offences” or “Predicate Offences”: the offences included in the catalogue referred to in Legislative Decree 231/2001.
- “System of Powers”: the set of proxies and powers of attorney granted within the Company, as well as any powers of representation granted to Third Parties.
- “Third Parties”: independent third parties who perform their activities by supplying goods and/or providing services also in the interests of the Company and in relation to the Sensitive Activities regulated by this Model. Third Parties also include consultants, contractors, Suppliers, any intermediaries and/or agents and Partners who perform their activities in the interests of the Company and in relation to one or more Sensitive Activities.

## **CHAPTER 1 : THE ADMINISTRATIVE LIABILITY REGIME OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS**

### **1.1 Legislative Decree 231/2001 and the relevant legislation**

#### **1.1.1 Liability under Legislative Decree No. 231/2001**

On 4 July 2001, Legislative Decree No. 231 of 8 June 2001 came into force, setting out the *“Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality”*.

The Decree aimed to bring domestic legislation on the liability of legal persons in line with several international conventions that Italy has long since acceded to, such as: (i) the Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Communities; (ii) the Convention also signed in Brussels on 26 May 1997 on combating bribery involving officials of the European Community or its Member States; and (iii) the OECD Convention of 17 December 1997 on combating bribery of foreign public officials in international and economic transactions.

The Decree introduced in Italy the provision of a system of administrative liability for entities for specific offences committed, in their interest or to their advantage, by certain categories of persons:

- (a) by **“individuals in senior positions”** persons, i.e., persons who hold functions of representation, administration or management of the company or of an organisational unit thereof with financial and functional autonomy, or who exercise (incl. de facto) management and control thereof (e.g., directors and general managers);
- (b) by persons **“subject to the direction or supervision”** of any senior persons referred to in point (a) above (e.g., non-management employees and Third Parties).

The liability envisaged by the Decree is additional to the liability of the



natural person who materially has committed the respective offence and is intended to punish entities for specific types of offences committed in their interest (with a view to the corporate policy adopted) or to their advantage (in order to obtain a pecuniary benefit from the commission of the offence).<sup>1</sup>

From a sanctions standpoint, all offences committed always entail the application of a pecuniary sanction against the legal person; for more serious cases, the application of prohibitory sanctions is also envisaged.

Liability under the Decree also arises in relation to offences committed abroad, provided that the State in which the offence was committed does not prosecute these types of offences.

Additionally, the incriminating offences listed under the Decree – even if they are only attempted – render the company liable under the Decree. More specifically, Art. 26(1) of the Decree envisages that, if any offences are attempted, the financial penalties (in terms of amounts) and disqualification penalties (in terms of time) are reduced by between one third and one half; whereas their imposition is excluded in cases where the company, under Art. 26, “*voluntarily prevents the action from being carried out or the event from taking place*”.

### **1.1.2 Penalties**

The administrative penalties for the commission and/or attempted commission of administrative offences dependent on crime are:

#### *(a) Financial penalties*

Financial penalties are applied in instalments of between 100 and 1,000 and are calculated by the criminal court with ranges from EUR 25,800

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<sup>1</sup> Recent guidelines of the Supreme Court of Cassation – also referred to by the Confindustria Guidelines – point out that in culpable offences (health and safety offences and environmental offences) the interest or advantage must arise from the breach of precautionary rules (e.g., saving safety costs, increasing performance speed or increasing productivity by not adopting accident prevention measures).

to Euro 1,549,000. The entity is liable for the obligation to pay these financial penalties with its own assets.

*(b) Disqualification penalties*

Disqualification penalties include: (i) disqualification from carrying on the business; (ii) the suspension or revocation of authorisations, licences or concessions; (iii) the prohibition on contracting with the P.A.; (iv) the exclusion from facilitations, financing, contributions or subsidies and the possible revocation of those already granted; and (v) the prohibition on advertising goods and services.

Disqualification penalties apply to the offences expressly envisaged and provided that at least one of the following conditions is met:

- the entity has obtained a significant profit from the commission of the offence and the offence was committed by persons in a senior position or by persons subject to the direction of others if, in these last cases, the offence was committed or facilitated by serious organisational deficiencies; or
- in the event of repeated offences.

*(c) Confiscation of the price or profit of the crime*

*(d) Publication of the judgment*

### **1.1.3 Offences**

The Decree As lists the following individual categories of predicate offences:

- (a) offences committed in relations with the Public Administration (Arts. 24 and 25 of Legislative Decree 231/2001);
- (b) computer crimes and unlawful data processing (Art. 24-*bis* of Legislative Decree 231/2001);

- (c) organised crime offences (Art. 24-*ter* of Legislative Decree 231/2001);
- (d) offences of counterfeiting money, public credit cards, revenue stamps and identification instruments or signs (Art. 25-*bis* of Legislative Decree 231/2001);
- (e) offences against industry and trade (Art. 25-*bis* 1 of Legislative Decree 231/2001)
- (f) corporate offences (Art. 25-*ter* of Legislative Decree 231/2001);
- (g) bribery among private individuals and incitement to bribery among private individuals (Art. 25-*ter* (2) (s) *bis* of Legislative Decree 231/2001);
- (h) offences with the purpose of terrorism or subversion of the democratic order (Art. 25-*quater* of Legislative Decree 231/2001);
- (i) offences relating to female genital mutilation practices (Art. 25-*quater* 1 of Legislative Decree 231/2001);
- (j) offences against the individual (Art. 25-*quinquies* of Legislative Decree 231/2001);
- (k) crimes and administrative offences of market abuse (Art. 25-*sexies* of Legislative Decree 231/2001);
- (l) transnational offences (Art. 10 of Law No. 146 of 16 March 2006);
- (m) offences of culpable homicide and grievous or very grievous bodily harm committed in breach of the rules on the protection of health and safety at work (Art. 25-*septies* of Legislative Decree 231/2001);

- (n) offences of receiving, laundering and using money, goods or benefits of unlawful origin, as well as self-laundering (Art. 25-*octies* of Legislative Decree 231/2001);<sup>2</sup>
- (o) offences relating to non-cash payment instruments and fraudulent transfers of value (Art. 25-g.1 of Legislative Decree 231/2001);
- (p) copyright infringement offences (Art. 25-*novies* of Legislative Decree 231/2001);
- (q) inducement not to make statements or to make false statements to the judicial authorities (Art. 25*i* of Legislative Decree 231/2001);
- (r) environmental offences (Art. 25-*undecies* of Legislative Decree 231/2001);
- (s) employment of third-country nationals whose stay is irregular (Art. 25-*duodecies* of Legislative Decree 231/2001);
- (t) crimes of racism and xenophobia (Art. 25-*terdecies* of Legislative Decree 231/2001);
- (u) fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Art. 25-*quaterdecies* of Legislative Decree 231/2001);
- (v) tax offences (Art. 25-*quinquiesdecies* of Legislative Decree 231/2001);
- (w) smuggling offences (Art. 25-*sexiesdecies* of Legislative Decree 231/2001);

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<sup>2</sup> According to legal guidelines, an entity can incur 231 liability also for offences (from which the illegal proceeds characterising self-laundering are derived) not included in the 231 catalogue, with the consequent difficulty for the entity to put in place adequate prevention measures and the risk of extending the scope of the Models to additional *compliance* areas not included in the scope of the 231 Decree. However, the Company adheres to the interpretative orientation whereby the entity's 231 liability must instead be limited to cases in which the predicate offence of self-laundering is also one of the predicate offences set out in Legislative Decree 231/2001.

- (x) offences against cultural heritage (Art. 25-*septiesdecies* of Legislative Decree 231/2001); and
- (y) laundering of cultural goods and devastation and looting of cultural and landscape heritage (Art. 25-*duodevicies ex* of Legislative Decree 231/2001).

However, **not all predicate offences are actually foreseeable** in relation to the Company's business. **The Special Section of the Model** specifically indicates those offences that – based on the risk assessment described in greater detail in section 3.6.1 et seq. – are considered potentially significant when performing corporate activities.

## **1.2 The adoption of the 'organisation, management and control model' as a possible exemption from administrative liability**

Art. 6 of the Decree introduces a particular form of exemption from liability in question if the entity proves that:

- (a) it has adopted and effectively implemented through its management body, before committing the offence, an organisational and control model that is capable of preventing offences of the kind committed;
- (b) it has entrusted an internal body endowed with autonomous powers of initiative and control, with the task of supervising the functioning of and compliance with the model, as well as updating it;
- (c) the individuals who committed the offence acted by fraudulently evading the above model; and
- (d) there has been no or insufficient supervision by the body referred to in point (b) above.

The Decree also envisages that the organisation and control model – in relation to the extent of the delegated powers and the risks of the offences being committed – must meet the following requirements:

1. identify the Sensitive Activities within the scope of which there is a possibility that Offences may be committed;
2. provide or refer to specific protocols governing the formation and implementation of corporate decisions in relation to the offences to be prevented;
3. identify the financial resources suitable for implementing an organisational system to prevent the commission of the Offences;
4. prescribe information obligations addressed to the body in charge of supervising the functioning of and compliance with the Model;
5. set up an internal disciplinary system capable of penalising non-compliance with the measures indicated in the Model;
6. provide for internal reporting channels under Legislative Decree 24/2023 – allowing for the submission of reports of relevant conduct under Legislative Decree 231/2001 or violations of this Model – adequate to ensure, also by computerised means, the confidentiality of the identities of the reporter, all persons involved and the person in any case mentioned in the report, as well as the information in the reports and all relevant documentation;
7. prohibit any form of retaliation or discrimination, whether active or omissive, even if only attempted or threatened, carried out on account of the report and that causes or could directly or indirectly cause the whistleblower unjust damage; and
8. impose sanctions against those who violate the whistleblower protection measures in the disciplinary system set out in this Model.

## **CHAPTER 2 : THE COMPANY, GOVERNANCE AND ORGANISATIONAL STRUCTURE**

### **2.1 The services offered by the company**

Sibylla is a pre-clinical company that develops small molecule degraders with novel action mechanisms to find new therapies for unmet medical needs.

The Company's corporate object comprises:

- research, development, production, operation and marketing of innovative high-level biotechnology products in the pharmaceutical field, including the development of innovative software in the fields of biotechnology and drug development, enabling partnerships with third parties; and
- collaboration in the fields of biotechnology and drug development.

### **2.2 The corporate governance system**

The Company's legal corporate form is a joint-stock company (*società per azioni*) and its corporate governance system comprises the shareholders' meeting, the Board of Directors and the board of statutory auditors.

#### **2.2.1 Shareholders' meeting**

The shareholders' meeting can pass ordinary and extraordinary resolutions on matters reserved to it by law and the company's articles of association.

The shareholders' meeting is chaired by the chairman of the Board of Directors or – in the event of his/her absence, resignation or impediment – by the person appointed by the shareholders' meeting.

The Board of Directors comprises eight members, including a chairman and a managing director.

The Board of Directors is vested with the broadest powers to manage the Company's business.

The chairman of the Board of Directors and the managing director are granted powers of ordinary management over the Company, within the limits set out in the minutes of the respective Board of Directors' meetings.

Representation of the Company is vested in the chairman of the Board of Directors and the managing director, in accordance with delegated powers.

### **2.2.2 Board of statutory auditors**

The Company's board of statutory auditors comprises three full members and two alternate members and is appointed by the shareholders' meeting, which also selects its chairman.

The board of statutory auditors ensures fulfilment of all duties imposed by law and the articles of association.

### **2.2.3 External auditor**

In accordance with Arts. 2409-*bis et seq.* of the Civil Code, the Company has appointed an external auditor, listed in the register maintained by the Ministry of Justice, to audit the accounts.

All audits performed must be documented in a special book kept at the company's registered office.

## **2.3 The corporate organisational structure**

The organisation consists of employees, collaborators and consultants reporting to the CEO and CTO.



## **CHAPTER 3 : THE ADOPTION OF THE MODEL.**

### **3.1 Objectives pursued with the adoption of the Model**

The Company is aware of the value contributed by an internal control system capable of preventing the commission of offences by its employees, collaborators, members of the Board of Directors and third parties. The Company is also aware that the adoption and effective implementation of the Model improves the corporate governance system by reducing the risk of Offences being committed and allowing the Company to benefit from the exemptions under Legislative Decree 231/2001.

The Model was drafted and implemented in the conviction that the Model – beyond the Decree’s provisions, which indicate the Model itself as an optional and not mandatory element – could constitute, in addition to being an exempting circumstance under the Italian regulations on the liability of entities for administrative offences dependent on the offences listed under Legislative Decree 231/2001, a fundamental tool to raise awareness of all those who work in the name and on behalf of the Company. In this way, when performing their activities, they adopt correct and honest conduct capable of preventing the occurrence of administrative offences dependent on crime. The Decree serves as a fundamental tool for raising awareness among all people who work in the name of and on behalf of the Company to ensure that when performing their activities, they adopt correct and honest conduct, preventing the risk of Offences being committed.

Therefore, this Model serves as a structured and organic system of prevention, deterrence and control to reduce the risk of Offences being committed by identifying the Company’s Sensitive Activities, the principles of conduct to be complied with by recipients of the Model, and specific control activities, all aimed at preventing Offences from being committed.

More specifically, the Model aims to:

- ensure that all personnel involved in the Company's Sensitive Activities are aware that they could commit – in the case of conduct that violates the Model and other company rules and procedures (as well as the law) – offences subject to criminal penalties not only for themselves but also for the Company;
- reiterate that these forms of unlawful conduct are strongly condemned by the Company because (even if the Company were apparently in a position to benefit from them) they are in any case in violation of not only the law but also the ethical-social principles that the Company intends to adhere to in performing its corporate mission; and
- enable the Company, by monitoring Sensitive Activities, to take timely action to prevent or counteract the commission of Offences.

### **3.2 Scope of the Model**

This Model covers all Sensitive Activities carried out by the Company and identified as potentially at risk of Offences being committed.

It is very important to emphasise that **the Model also covers Sensitive Activities that are entrusted in whole or in part to Third Parties**. All persons entrusted with these activities must also comply with all the prescriptions of this Model that are applicable.

### **3.3 Underpinning elements and principles of the Model**

The following must be considered as cornerstones of the Model:

- raising awareness and dissemination at all levels of the Company of the rules of conduct and the set procedures;
- mapping the Company's Sensitive Activities;
- implementing risk-prevention measures by adopting specific procedural principles aimed at regulating the formation and

correct implementation of corporate decisions on the offences to be prevented;

- adopting control measures that prevent the risk of offences being committed (particularly verifying and documenting Sensitive Activities, ensuring segregation of roles in structuring corporate processes and managing financial resources, setting authorisation powers consistent with the responsibilities assigned and verifying corporate conduct and functioning of the Model with consequent periodic updates, i.e., ex post control); and
- giving the Supervisory Body with specific tasks to monitor the effective and correct functioning of the Model.

More specifically, the Model **takes into account the company's existing and already operating processes and control systems**, as identified during the analysis of the Sensitive Activities, to the extent that they are also considered suitable as measures for the prevention of Offences and control over the processes involved in the Sensitive Activities.

The Model is characterised by: (i) effectiveness, i.e., adequacy of the set of controls put in place to prevent the commission of predicate offences; (ii) precision, i.e., consideration of the Company's characteristics, size, type of activity and historical events; and (iii) topicality, i.e., constant updating.

The Model's design has also been based on ensuring proportionality of the rules and controls considering the Company's size and organisational structure, as well as the need for effective dissemination of the Model to all Addressees.

### **3.4 Adoption of the Model**

The Model's adoption remains the responsibility of the Board of Directors, which – with the same decision – appoints the Supervisory

Body, which is entrusted with the task of supervising the functioning, effectiveness and observance of the Model itself, as well as promoting its updates.

All substantial amendments and additions to the Model are subject to approval by the Board of Directors.

### **3.5 The 'acceptable risk' approach**

An essential component for constructing a preventive control system is the concept of '**acceptable risk**'. More specifically, successful application of the Decree requires an effective threshold that sets a limit on the quantity and quality of the preventive measures to be adopted and implemented to prevent the commission of Offences. Without an advanced assessment of the acceptable risk, the quantity/quality of preventive controls that could be implemented would in fact be virtually infinite, with intuitable consequences in terms of company operations. The same general principle, which also applies to criminal law, of the concrete enforceability of conduct serves as a central reference criterion in this respect.

As highlighted by the Confindustria Guidelines, for the preventive control system to be built regarding the risk of commission of intentional Offences, the conceptual threshold of acceptability is illustrated by a prevention system that cannot be circumvented except fraudulently. In fact, this aligns with the concept of "fraudulent evasion" of the Model as an express exemption for the purposes of the exclusion of the entity's liability (see Art. 6(1) (c) of Legislative Decree 231/2001: "*the persons committed the offence by fraudulently circumventing the models...*").

As pointed out in caselaw, the 'fraud' referred to in the Decree does not necessarily require actual dishonesty and deception; at the same time, however, fraud cannot consist in the mere violation of the Model. It requires that the violation of the Model is in any case caused by a

circumvention of the security measures capable of forcing its effectiveness.

Conversely, with regard to culpable offences (such as culpable homicide and culpable personal injuries committed in violation of occupational health and safety regulations and culpable environmental offences), the threshold of 'acceptable risk' must be modulated differently. In fact, it must be considered that fraudulent evasion of the Model appears incompatible with the subjective element of culpable offences, in relation to which the intention to cause the harmful event is absent. In these cases, the threshold of 'acceptable risk' is illustrated by conduct that breaches the organisational prevention model (and, in the case of health and safety offences, the underlying mandatory requirements set by the prevention regulations), notwithstanding full compliance with the supervisory obligations by the Supervisory Body under the Decree.

Based on these principles, for all Sensitive Activities considered to be 'at risk' of Offences being committed, the Company's Model has been constructed with the objective of defining protocols that: (1) are reasonably capable of preventing all possible intentional offences, if not after fraudulent evasion; and (2) provide for an adequate system of controls of those fulfilments whose omission could lead to culpable offences.

### **3.6 Criteria for preparing the Model**

#### **3.6.1 Phases**

In preparing this Model, the Company was inspired by the Confindustria Guidelines. Consistent with these Guidelines, the preparation of the Model is based on:

- identifying all corporate processes and Sensitive Activities, to verify which corporate areas Offences could be committed in; and

- preparing control protocols capable of preventing the identified risks.

The preparation of this Model (as well as any subsequent updates, if they are substantial) is also supplemented by the following activities:

#### 3.6.1.1 Preliminary analysis

During this phase, an analysis of the corporate context that the Company operates in is carried out in order to map all the processes and activities carried out by the Company and, among these, to identify the Sensitive Activities that the Offences could foreseeably be committed in.

The preliminary analysis is carried out by examining relevant company documentation, including the organisational chart, job descriptions, system of delegated and/or proxy powers and company codes/regulations.

#### 3.6.1.2 Questionnaires

Each specifically identified risk owner, responsible for the Sensitive Activities under consideration, responded to a questionnaire on the activities carried out at the Company. The answers made it possible to circumscribe the scope of the investigation and to verify the relevance of the Offences for each Sensitive Activity. Also, it was possible to map the activities carried out by the Company, the persons acting within the scope of these activities, the Third Parties involved, and the controls applied.

#### 3.6.1.3 Risk definition activities

For each corporate process, the families of offences provided for in the Decree No. 231/2001, that can be abstractly configured, were associated; for each family of Offences identified in the context of the individual corporate process, an illustrative description of the possible ways in which they can be committed was provided; together with the identification of potential risks, analysis was carried out on the control

system adopted by the Company that can be considered relevant for the purposes of preventing the risks of commission of the Offences considered.

#### 3.6.1.4 Risk assessment interviews

Interview sessions were organised with key risk owners to: (i) understand processes, tasks and responsibilities; and (ii) map in more detail the activities performed by the Company and the controls applied within these activities.

#### 3.6.1.5 Risk assessment matrix and gap analysis

To assess the risks related to each of the Sensitive Activities, a risk assessment matrix was prepared containing the inherent and residual risk. Additionally, the gaps resulting from this risk assessment and related suggestions for improvement were identified.

#### 3.6.1.6 Preparation of the Model

In view of the outcomes of each of the stages described above, the Model was therefore prepared to comprise:

- (a) this General Section, which illustrates the overall structure of the Model and the set of rules and general principles dictated by it; and
- (b) the Special Section, divided into specific protocols regulating company processes and Sensitive Activities, providing principles, rules of conduct, prohibitions and controls to prevent the commission of Offences.

### **3.6.2 Changes, updates and continuous improvements of the Model**

Subsequent amendments and additions of a substantial nature to the Model itself are left to the competence of the Board of Directors.

However, the Managing Director may make any changes or additions of a non-substantial nature to the text.

In both cases, these changes must be shared with the Supervisory Body.

More specifically, it must promptly proceed with: (a) amending the Model if significant violations or circumventions of it are identified that show its inadequacy (incl. only partial) to guarantee the effective prevention of Offences; and (b) updating the Model, also at the suggestion of the Supervisory Body, if significant changes or modifications occur in the legislative and regulatory system (incl. internal) governing the Company's activities and/or in its structure, organisation or activities.

For the above purposes, the Supervisory Body must report in writing to the Board of Directors any circumstances that suggest the need, or even the advisability, of amending or updating the Model.

### **3.7 Addressees of the Model**

The rules in this Model are addressed to all persons who are part of the Company's organisation, particularly:

- (a) persons in positions of representation, administration or management of the Company;
- (b) persons exercising (incl. facto) management and control of the Company itself; and
- (c) all Company workers subject to the direction or supervision of the above persons (incl. fixed-term and permanent workers) and any workers hired through authorised temporary agencies and Collaborators.

Also, the principles of conduct in the Model and various specific rules also apply to Third Parties.



## **CHAPTER 4 : THE SUPERVISORY BODY**

### **4.1 Identification of the SB**

A single-member body has been set up to supervise the operation of and compliance with the Model and to keep it updated to implement the provisions of the Decree, which (under Art. 6, para. 1, point (b)) sets out – as a condition for the granting exemption from administrative liability – that a body of the entity with autonomous powers of initiative and control needs to be entrusted with: (i) supervising the operations and compliance with the models; and (ii) updating them.

The Supervisory Body is appointed by a special resolution of the Board of Directors: in this respect, upon appointment, adequate clarification of the individual's professional skills and experience must be provided, and his/her CV must be attached to the related minutes.

All Addressees are informed of the appointment of the Supervisory Body.

### **4.2 Eligibility requirements**

The Company's Supervisory Body needs to possess adequate requirements of autonomy, independence, professionalism, continuity of action, and honourableness, as well as an absence of conflicts of interest, as specified below.

#### **4.2.1 Strengthened autonomy and independence**

The requirement of autonomy and independence assumes that the Supervisory Body responds, in performing its function, only to the highest hierarchical level (Board of Directors).

Autonomy and independence must be substantive rather than just formal: i.e., the Supervisory Body must be endowed with effective powers of inspection and control and be able to access relevant corporate information at its own initiative, obtain adequate resources

and use instruments, support and experts in performing its monitoring activities.

More specifically, this requirement is ensured by the Board of Directors' obligation to approve an adequate annual allocation of financial resources, also at the request of the Supervisory Body itself, which may do so for any need to properly perform its duties (e.g., specialist consultancy and possible travel).

Independence also assumes that the Supervisory Body is not in a position (incl. potential) of a conflict of interest with the Company and it holds no executive functions at the Company that would undermine its objectivity of judgement when verifying compliance with the Model.

Finally, to guarantee the requirements of independence and autonomy, from appointment and throughout the term of office, the Supervisory Body:

- (a) must not be a director of the Company;
- (b) must not directly or indirectly own shares in the Company or shares in any other company that enable it to exercise control or significant influence over the Company;
- (c) if external to the Company, must not directly or indirectly entertain with the Company – or with companies controlled by it or connected to it – economic relations that affect their independent judgement (assessed also based the subjective financial position of the individual) or entertain significant business relations with the directors with delegated powers (executive directors) or shareholders with controlling interests over the Company;
- (d) if internal to the company, must hold a non-executive position and not be directly involved in business activities;
- (e) may be a person serving as an member of the Company's board of statutory auditors;

- (f) must not be related to or part of any of the executive directors' households, i.e., spouse not legally separated or relatives and in-laws up to the fourth degree;
- (g) must have no relationship of kinship, marriage or in-laws up to the fourth degree with members of the Board of Directors, persons who hold positions of representation, administration or management of the Company, persons who exercise (incl. de facto) management and control of the Company or representatives of the external auditing firm, or any other persons specified by law; and
- (h) must have and maintain the good reputation requirements set out in section 4.2.2 below.

Finally, the autonomy and independence that needs to characterise the activities of the SB have requires the introduction of certain forms of protection in its favour to ensure the Model's effectiveness and to prevent its control activities from generating forms of retaliation to its detriment. Therefore, decisions on transfers or sanctions relating to the SB, when it is a Company employee, are attributed to the exclusive remit of the Board of Directors.

#### **4.2.2 Honourability and grounds for ineligibility**

A person cannot be appointed to the Supervisory Body and, if he/she is appointed, he/she must automatically forfeit the office if he/she:

- a) has been declared disqualified, incapacitated or subject to bankruptcy proceedings, or has been convicted with sentences entailing disqualification from public office, from the executive offices of companies or legal persons, from a profession or an art and/or the inability to contract with the Public Administration;
- b) has been subject to preventive measures ordered by the judicial authority under Law No. 1423 of 27 December 1956 (Law on

- preventive measures against persons dangerous to security and public morality) or Law No. 575 of 31 May 1965 (Law against the Mafia);
- c) has been convicted following a sentence (incl. a *res judicata* judgment) or issued under Art. 444 *et seq.* of the Criminal Procedure Code, or even if the sentence has been conditionally suspended, subject to the effects of rehabilitation:
- i. for any of the offences under Title XI of Book V of the Civil Code (Criminal provisions concerning companies and consortia) and Royal Decree No. 267 of 16 March 1942, as amended or supplemented (Rules governing bankruptcy, arrangements with creditors, receivership and compulsory liquidation);
  - ii. for a crime against the Public Administration, or to imprisonment for at least one year for a crime against public faith, property, public order or the public economy or for a tax crime;
  - iii. to imprisonment for a term of at least two years for any intentional offence; or
  - iv. in any event and irrespective of the extent of the penalty for any of the offences listed exhaustively in Legislative Decree 231/01;
- d) has served as a member of the Supervisory Body in companies against which the sanctions under Art. 9 of the Decree have been applied, unless five years have elapsed since the final imposition of these sanctions and has been convicted of a criminal offence (incl. not final).

Similarly, a person cannot be appointed as a Supervisory Body member and, if he/she is, he/she necessarily and automatically forfeits his office if he/she: (i) is subject to the ancillary administrative sanctions under Art. 187-*quater* of the Consolidated Law on Finance (Legislative Decree

58/1998); or (ii) has been sentenced to a penalty entailing disqualification (incl. temporary) from public offices or temporary disqualification from managing any offices of legal persons.

#### **4.2.3 Proven professionalism, specific skills in inspection and consultancy**

The Supervisory Body must possess technical and professional skills that are appropriate to the functions it is called on to perform. These features, along with its independence, guarantee its objectivity of judgement; it is therefore necessary that the internal members of the SB are chosen from among persons with adequate professionalism in the fields of corporate risk control and management; also, the SB's external members are selected from among professionals with expertise in legal matters (particularly regarding the issues set out in the Decree and the Criminal Code), corporate organisation and safety at work, as well as in the legal fields of auditing, accounting and finance. Also, the Supervisory Body may use resources (incl. external professionals) with expertise in matters other than those falling within its specific competence.

#### **4.2.4 Continuity of action**

The Supervisory Body must:

- continuously carry out all activities necessary for supervising the Model's correct application with adequate commitment and the necessary powers of investigation;
- ensure that the Model is implemented and constantly updated; and
- carry out any non-operational tasks required to provide the clear overview of the company's activities that is required of them.

In compliance with the Decree and considering all the above, the Board of Directors considered that the composition of the Supervisory Body

that best meets the requirements of the Decree is the monocratic one, represented by an external consultant, expert in the administrative liability of entities, corporate governance and internal auditing. Additionally, the Supervisory Body may use competent resources to carry out secretarial activities, also by using external parties.

The Company considers that this composition guarantees the autonomy and independence necessary for the Supervisory Board to perform its powers.

### **4.3 Term in office**

The Supervisory Body's term of office is three years, unless decided otherwise by the Board of Directors that appointed it.

When its term of office expires, the Supervisory Body may continue to perform its functions and exercise its powers, as further specified below, until new members are appointed by the Board of Directors.

The Supervisory Body is required to sign – upon appointment and subsequently on an annual basis – a declaration certifying the existence and subsequent persistence of the independence requirements referred to above and, in any case, to immediately notify the Board of Directors of any impeding conditions.

The Supervisory Body cannot be revoked except for rightful cause, by reasoned resolution of the same. In these cases, the Board of Directors needs to replace all revoked members of the SB.

Finally, internal members of the SB are disqualified from holding office in the event of assignment to a company function other than the function they belonged to at the appointment date. In these cases, the Board of Directors needs to replace the members of the SB who are disqualified.

They amount to just cause for revocation:

- (a) violations of this Model;

- (b) the occurrence of any causes of incompatibility referred to in section 4.2 above;
- (c) a conviction of the Company under the Decree or a plea bargaining sentence, which becomes final, where the documents show “omitted or insufficient supervision” on the part of the Supervisory Body, under Art. 6(1)(d) of the Decree;
- (d) failure to attend more than three consecutive meetings without justification;
- (e) negligence in performing their duties;
- (f) in the case of individuals within the company structure, any resignation or dismissal or otherwise termination of employment;  
or
- (g) a change to the shareholding structure entailing a change to the person with a majority of the votes exercisable at an Ordinary Shareholders’ Meeting.

In the event of resignation or automatic disqualification of a regular member of the Supervisory Body, the SB must promptly notify the Board of Directors, which must then take the appropriate decisions without delay.

The Supervisory Body is considered as lapsed if a majority of its members are no longer present because of resignation or other causes. In this case, the Board of Directors appoints new members.

Members may renounce their appointment at any time by giving written notice stating the reasons for renunciation to the other members of the SB and to the Board of Directors. In the event of renunciation by any members, it takes effect only upon acceptance or appointment of the new member(s) and in any case within 60 days from the communication.

#### **4.4 Function of the Supervisory Body**

The Supervisory Body is entrusted with the task of supervising:

- (a) the effectiveness and adequacy of the Model in relation to the corporate structure and its effective capacity to prevent the Offences from being committed;
- (b) compliance with the Model by the Personnel, the Board of Directors and Third Parties; and
- (c) the appropriateness of updating the Model, where there is a need to adapt it in relation to changed company and/or regulatory conditions.

On a more operational level, the Supervisory Body is entrusted with the task of:

##### Updates, regulatory powers and reporting

- a. Propose the preparation of internal organisational documentation that is necessary for the functioning of the Model, with instructions, clarification or updates;
- b. suggest and promote the issuance of procedural provisions implementing the principles and rules in the Model;
- c. interpret the relevant legislation and verify the adequacy of the Model to these regulatory requirements, reporting possible areas of intervention to the Board of Directors;
- d. verify that the elements required under the individual protocols of the Special Part of the Model for the prevention of Offences (adoption of standard clauses and completion of procedures, etc.) are in any case adequate and meet the requirements of compliance with the provisions of the Decree, proposing, if not, an update of the elements themselves;



- e. analyse company activities with a view to updating the mapping of activities at risk under the Decree;
- f. promote the revision and possible updates of the Model in relation to: (i) ascertainment of violations of the Model's prescriptions; (ii) significant changes to the Company's internal structure, business activities or performance methods; and/or (iii) regulatory changes (e.g., inclusion of new Crimes in the Decree), reporting possible areas of intervention to the Board of Directors;
- g. promote, if it appears that the state of implementation of the provisions of the Model is deficient, all necessary initiatives to bring conduct into line with the Model;
- h. in the annual report referred to in section **Error! Reference source not found.** indicate the appropriate additions to the systems for managing financial resources (both incoming and outgoing) in order to introduce certain expedients to detect the existence of any atypical financial flows distinguished by greater margins of discretion than those normally envisaged;
- i. in the annual report referred to in section **Error! Reference source not found.** indicate the advisability of issuing particular procedural provisions implementing the principles in the Model, which may not be consistent with those currently in force in the Company, also ensuring their coordination with existing ones;
- j. coordinate with the heads of the corporate functions for the various aspects relating to the implementation of the Model (definition of standard clauses, personnel training, disciplinary measures, etc.);

- k. periodically check – with the support of the competent corporate functions – the system of powers in force, recommending changes if the management power and/or qualification does not correspond to the powers of representation conferred; and
- l. promptly inform the Board of Directors of any serious violations of the Model, requesting support from the Functions able to cooperate in verification and identification of suitable actions to prevent the recurrence of the circumstances in question.

#### Checks and controls

- a. conduct reconnaissance of the company's activities for the purpose of updating the mapping of Sensitive Activities;
- b. in compliance with the provisions of the annual schedule of the Supervisory Body's activities, carry out periodic targeted checks on certain operations or specific acts performed by the Company, especially in the context of Sensitive Activities, the results of which must be summarised in a specific report to be submitted to the Board of Directors;
- c. collect, process and store information relevant to compliance with the Model, and update the list of information that must be transmitted to it or kept at its disposal;
- d. coordinate with the Company Functions (incl. through special meetings) for the best monitoring of the Sensitive Activities and the related procedures set out in the Model. To this end, the Supervisory Body has full access to all company documentation (both hard copy and computerised) that it considers relevant and must be constantly informed by the management: (i) on the aspects of the Company's activities

that could expose it to the risk of any of the Offences being committed; and (ii) on relations with Third Parties;

- e. initiate and carry out internal investigations, liaising from time to time with the relevant corporate functions to acquire further elements of investigation
- f. urge the implementation of the control procedures laid down in the Model also by issuing or proposing internal (regulatory and/or informative) provisions;
- g. collect, process and store relevant information (incl. any reports relevant for the purposes of the Decree referred to in the section 4.9), and update the list of information that must be mandatorily transmitted (see section 4.8 ) or kept available to the Supervisory Body;
- h. control the actual presence, regular maintenance and effectiveness of all documentation required in accordance with the provisions of the individual protocols of the Special Part of the Model. More specifically, the Supervisory Body must be notified of the most significant activities or operations covered by the protocols of the Special Part to allow the relevant controls to be carried out;
- i. promptly verify any critical issues encountered by Company representatives concerning the company's financial flows, proposing appropriate operational solutions; and
- j. verify that the corrective actions necessary to make the Model adequate and effective are promptly implemented.

Training:

- a. promote appropriate initiatives for the dissemination of knowledge and understanding of the Model;

- b. help to define the training programmes for Personnel and the content of the periodic communications to be made to Employees, Collaborators and the Board of Directors, aimed at providing them with the necessary awareness and basic knowledge of the regulations under the Decree; and
- c. ensure that the Company's website contains all information relating to the Decree and the Model, and is set up and remains continuously updated.

#### Violations of the Model

- a. conduct internal investigations to ascertain alleged violations of the Model, summoning, where considered necessary, any company representative;
- b. liaise with the Company's management to assess or propose the adoption of any sanctions or measures, without prejudice to the management's competence – and in particular that of the employer and the persons in charge of HR management – regarding the decision and imposition thereof (see Chapter 6 of this General Section below); and
- c. periodically verify, with the support of the competent Functions, the adequacy of the standard clauses aimed at implementing sanctioning mechanisms (such as termination of the contract with respect to Third Parties) if violations of the provisions are ascertained and effectively apply these sanctioning mechanisms.

#### **4.5 Powers of the Supervisory Body**

The Supervisory Body has, by law, autonomous powers of initiative and control for the purpose of supervising the operation of and compliance with the Model, but it has no coercive powers or powers to intervene in the corporate structure or impose sanctions, or powers that are delegated to the competent corporate bodies and/or functions.

Considering the unique skills and specific professional experience required for performing its supervisory and control tasks, the Supervisory Body is in any case constantly supported also by the Company's *management*.

The management – within the scope of their respective functions and within the limits of the delegations assigned to them – has primary responsibility for: (a) monitoring activities and areas of competence; (b) ensuring Personnel subject to their direction and supervision comply with the Model; and (c) notifying the Supervisory Body timely and punctually of any anomalies, problems and/or critical issues detected.

The Supervisory Body may require corporate functions to perform special checks on the correct and precise functioning of the Model.

All persons involved within the Function are required to supervise and inform the Supervisory Body on the correct application of this Model, each within the scope of his or her operational competences.

Whenever it considers it necessary – to perform its supervisory activities and all provisions of this Model – the Supervisory Body may obtain any additional corporate resources that it considers necessary from time to time. The SB may select these resources from the various corporate Functions (with no limits on time or quantity) and they can comprise a dedicated full-time or part-time staff, if necessary.

Also, if any activities require professional skills that no Company personnel possess, the Supervisory Body may use external consultants.

The Supervisory Body is therefore vested with the following powers:

- access all documentation and information regarding the Company;
- use corporate functions, who must cooperate, and external consultants;

- collect information from all Addressees of the Model and Third Parties regarding the Company's activities;
- request, through appropriate channels and persons, the Board of Directors to address urgent matters;
- request the heads of corporate functions to attend, with no deliberative power, Supervisory Body meetings;
- use external consultants to delegate specific areas of investigation or activities to. In this regard, the Board of Directors must approve an annual expenditure budget for the Supervisory Body, which may freely use it for its own activities, and increase this budget for any needs that arise.

#### **4.6 Rules of convocation and operation**

The Supervisory Body may regulate its operating methods through specific regulations based on the principles set out below:

- the Supervisory Body meets quarterly;
- the Board of Directors may order the Supervisory Body to meet at any time;
- ad hoc meetings may be held and all decisions taken during these meetings must be reported at the next quarterly meeting; and
- meeting minutes record all decisions taken by the Supervisory Body and reflect the main considerations made in reaching the decision; the SB must keep these minutes in its archives.

The Supervisory Body meets at least once a year with the Company's board of statutory auditors, external auditor and RSPP for the mutual exchange of information useful for carrying out its activities.

## 4.7 Supervisory Body reporting

The Supervisory Body reports on the implementation of the Model and the emergence of any critical issues.

Two reporting lines are assigned to the Supervisory Body:

- the first, on an ongoing basis, directly to the Managing Director;
- the second, on a periodical basis at least once a year, to the entire Board of Directors. In its annual reporting, the Supervisory Body submits a written report on the implementation of the Model, which contains:
  - (a) a summary analysis of all the activities carried out during the year (indicating in particular the specific controls and checks carried out and their outcome, any updates to the mapping of Sensitive Activities, etc.); and
  - (b) a plan of activities envisaged for the following year.

These information flows relate to:

- 1) the activities carried out by the Supervisory Body; and
- 2) any critical issues (and suggestions for improvement) that have emerged both in terms of internal conduct or events, and in terms of the effectiveness of the Model. If the Supervisory Body detects any criticalities attributed to any of the referent subjects, the corresponding report must be addressed promptly to one of the subjects identified above.

Meetings with the bodies that the Supervisory Body reports to must be minuted and the Supervisory Body must keep copies of all minutes.

The Board of Directors have the power to convene the Supervisory Body at any time, which, in turn, has the power to request, through the competent Functions or persons, the Board of Directors to convene a meeting.

The Supervisory Body must also coordinate with the competent Functions for the various respective profiles.

#### **4.8 Information flows to the Supervisory Body**

The Supervisory Body also exercises its verification and control responsibilities by analysing systematic information flows.

The structured information flow serves as a tool to: (i) ensure supervision of the Model's effectiveness and suitability and for possible ex post verification of the causes that enabled the offences listed under the Decree to be committed; and (ii) improve the SB's control planning activities.

The obligation to inform the Supervisory Body applies to: (i) all directors, Employees and Collaborators (through their respective department heads) who work within the Company; and (ii) those who do not belong to the Company but work on its behalf. The disclosure duty forms part of each employee's broader duties of diligence and loyalty under Arts. 2104 and 2105 of the Civil Code.

Those making communications are responsible for the veracity of all documentation and information provided.

The Supervisory Body must: (i) disclose no news and information acquired from performing its duties; (ii) ensure their confidentiality; and (iii) refrain from seeking and using them for purposes other than those under Art. 6 of Legislative Decree 231/2001.

Information flows to the Supervisory Body are divided into:

- Event-driven flows; and
- Periodic flows.

##### **4.8.1 Event-driven information flows**

Event-driven flows must be made in writing to the Supervisory Body's email address: [odv@sibyllabiotech.it](mailto:odv@sibyllabiotech.it) (or in any other way considered appropriate by the Supervisory Body) following any events regarding



implementation of the Model and corporate procedures under the Model regarding Sensitive Activities that could be useful for performing the Supervisory Body's duties.

More specifically, we stress the importance of the following communications, among others:

- a) any relevant enactment, modification and/or integration of the Company's corporate organisational system and/or corporate structure (extraordinary transactions, etc.), such as modifications and variations to the system of delegated and proxy powers conferred, to the organisational chart, etc. (e.g., those affecting the mapping of Sensitive Activities and the risk assessment for corporate processes);
- b) requests for legal assistance made by directors, managers, Employees and/or Collaborators who are subject to court proceedings for offences under the Decree;
- c) inspections by public bodies (e.g., judiciary, Financial Police/*Guardia di Finanza* and other authorities) or third parties (e.g., certification bodies and third-party audits), except in the case of interventions that are scheduled and/or form part of periodic monitoring plans;
- d) inspections carried out by external Authorities (e.g., Italian Revenue Agency, the Labour Inspectorate, and Financial Police and other police agencies ) that result in critical findings and/or sanctions applied to the Company, and the latest information on the implementation of any action plan drawn up to eliminate these findings;
- e) measures and/or news from judicial police bodies (or any other authority) that indicate that investigations or proceedings are being carried out (incl. against unknown persons) for offences under Legislative Decree 231/2001 that involve the Company or

its Employees, the Board of Directors, Collaborators, consultants, Partners and/or Suppliers;

- f) the results of all checks carried out by the heads of the various corporate Functions as part of their 'first level' control activities and that reveal significant critical aspects/anomalies that fraudulent violations emerge from (in the case of processes and Sensitive Activities at risk of intentional predicate offences) or non-compliance (in the case of processes and Sensitive Activities at risk of culpable predicate offences);
- g) excerpts of Board of Directors' resolutions concerning financial/corporate transactions (incl. those not finalised) (e.g., domestic and international M&A activities); and
- h) the sanctioning procedures carried out and any sanctions imposed (including measures against Employees and Collaborators) or the measures archiving these procedures with the relevant reasons if they relate to Offences committed or breaches of the Model's rules of conduct or procedures.

In addition to the above event-driven information flows, the individual protocols of the Special Section of this Model list other circumstances that trigger the obligation to send event-driven information flows to the Supervisory Body.

The SB may in any case autonomously request additional periodical information or news concerning specific situations from any competent corporate Function. The competent Functions remain responsible for keeping all documentation regarding information sent to the SB available.

Any of the above persons who breach the disclosure obligations in this section are subject to disciplinary sanctions that are based on the seriousness and set by the Supervisory Body in accordance with the rules set out in Chapter CHAPTER 6 of this Model.

#### **4.8.2 Periodic information flows**

In addition to the information of a timely nature referred to above, the Company Functions identified in the individual protocols of the Special Section of this Model must provide the Supervisory Body with all information acquired from control activities carried out to implement the Model that is useful for guaranteeing the Supervisory Body effective information for the purposes of its supervisory activities.

Without prejudice to the possibility for the Supervisory Body to identify further periodic reporting flows, the individual Special Sections of this Model set out the information and documentation to be transmitted and/or made available to the Supervisory Body for each Sensitive Activity (incl. the relevant timing and information channels to be used and the responsible Functions).

Based on the defined periodicity, the head of the indicated Function must provide the reported information by email to the Supervisory Body.

The information flows in this paragraph must be sent to the Supervisory Body's email address: [odv@sibyllabiotech.it](mailto:odv@sibyllabiotech.it) (or in any other way considered appropriate by the Supervisory Body).

#### **4.9 Reports**

In addition to the system of information flows outlined above, which is mandatory, anyone who becomes aware, through their duties, of:

- a. unlawful conduct relevant under the Decree and based on precise and concordant factual elements; or
- b. any violation of this Model,

must give immediate notice.

The Company has its own reporting channels that guarantees (incl. by using encryption tools) confidentiality of: (i) the identities of the person

filing the report, all persons involved and all persons mentioned in the report; and (ii) the content of the report and all related documentation.

More specifically, the Company's reporting system – also extended and adopted by the Company – comprises the following internal channels:

- a. a written channel via web platform; and
- b. an oral channel via recorded voice messaging system.

Both of the above channels can be accessed at this [link](#).

The Company protects all whistleblowers against any conduct, act or omission (incl. attempted or threatened) that: (i) is carried out in response to any internal report, report to the judicial or accounting authorities, or public disclosure; and (ii) causes or could cause the whistleblower or the person who made the report direct or indirect unjust damage. The following actions, among others, are considered to be retaliatory measures:

- dismissal, suspension or equivalent measures;
- demotion (or non-promotion);
- transfer, salary reduction, changes to working hours;
- disciplinary measures;
- discrimination or any unjustified unfavourable treatment;
- non-conversion or non-renewal of a fixed-term employment contract into an indefinite-term employment contract (in the case of legitimate expectation of conversion);
- non-renewal or early termination of a fixed-term employment contract; and
- early termination or cancellation of a contract for the supply of goods or services.

The reporting requirements, the reporting channels, procedures for transmitting and handling reports, and the roles and responsibilities of

the persons involved in this process are defined within the Whistleblowing Procedure.

Following the outcome of the checks carried out on the reports received, sanctioning procedures under the Model's Disciplinary System could be imposed on the following persons, in accordance with the company procedures in force and with the involvement of the competent company departments:

- the person held responsible for the reported fact;
- anyone who has committed proven retaliation against the reporting person, obstructed or attempted to obstruct the reporting, or breached the obligation of confidentiality protecting the reporting person and/or the reported person; and
- anyone responsible for verifying and/or analysing the reports received in the event of breach of the relevant obligations.

All personal information acquired (incl. sensitive or judicial information) is processed in full compliance with the Privacy Code, as amended by EU Regulation 679/2016.

#### **4.10 Confidentiality obligations**

All members of the Supervisory Body ensure full confidentiality of all information they obtain (particularly if it relates to reports they receive concerning alleged violations of the Model).

All members of the Supervisory Body must also refrain from using confidential information for: (i) purposes other than those referred to in the preceding section (4.4); or, in any case (ii) purposes that contravene the functions of a supervisory body (excl. cases of express and conscious authorisation).

Breach of these obligations amounts to just cause for removal from office.

#### **4.11 Collection and storage of information**

Reports and all related documentation are kept in a special archive maintained by the Supervisory Body in paper or electronic format for the time necessary to process the report and, in any case, no longer than five years from communication of the final outcome of the management process of each report.

The information flows to the Supervisory Body and the minutes of the Supervisory Body are retained for 10 years in a special archive maintained by the Supervisory Body in paper or electronic form

### **CHAPTER 5 MODEL DISSEMINATION AND TRAINING**

#### **5.1 Information and training of company representatives**

##### **5.1.1 The initial communication**

The adoption of this Model is announced to all Personnel present in the Company at the time of its adoption.

New recruits, however, are given an information set (CCNL, Model, Legislative Decree 231/2001, etc.) that ensures they are aware of all information considered of primary importance.

##### **5.1.2 Training**

Personnel training – which the Company manages under the supervision of the Supervisory Body – familiarises personnel with the Model adopted by the Company and adequately supports all those involved when performing Sensitive Activities

Training involves capillarity, effectiveness, authority and clarity and must be suitably detailed as well as periodically repeated, at regular intervals. The Company ensures proper awareness of the codes of conduct under the Model for both existing and future resources.

All training activities aimed at disseminating knowledge of the regulations set out in Legislative Decree 231/2001 need to be differentiated in terms of content and delivery methods based on the

qualifications of the Addressees, the risk levels of the respective areas that they operate in, and whether the Addressees perform representative functions for the Company.

In this regard, the Company periodically prepares a training plan, with the cooperation of the Supervisory Body, that considers numerous variables such as:

- target audience (e.g., recipients of the interventions and their organisational levels and roles). More specifically, specific direct and 'in-person' training interventions must be provided for persons working in the areas where the risk of unlawful conduct is greatest, with the participation of the relevant management and the Supervisory Body;
- content (e.g., relevant topics regarding the addressees). More specifically, all training content needs to be updated to reflect changes in legislation and the Model; therefore, in the event of significant changes (e.g., extension of the Company's administrative liability to new types of offences), the content itself need to be consistently supplemented, also ensuring their accessibility;
- delivery tools (e.g., company meetings, classroom and e-learning courses on the principles of the Decree, analysis of practical/jurisprudential cases, Q&A sessions, and staff evaluations based on special learning tests);
- timing of delivery and implementation (e.g., preparation and duration of interventions);
- commitment required from recipients (e.g., the time required); and
- specific needs arising from respective business operations.

Personnel training courses require compulsory attendance and the Supervisory Body must remain informed of the results of these courses in terms of participation and performance in learning progress tests.

Non-participation in training activities without justification by Employees and Collaborators amounts to a violation of the principles under this Model and is therefore subject to sanctions in accordance with Chapter 6 below.

The Supervisory Body periodically verifies the implementation state of the training plan and has the right to request periodic checks on Employees' and Collaborators' knowledge and understanding of the Decree, the Model and its operational implications. These checks are commensurate with the types of training prepared for each target.

## **5.2 Engaging and Informing Third Parties**

Special criteria – the adequacy of which is periodically assessed – is adopted for the engagement of Third Parties.

The Company must ensure that these Third Parties are aware of the Company's adoption of the Model and all related rules of conduct when they enter into their respective contracts with the Company (incl. by using specific contractual clauses that declare their awareness).

The Company may also provide these Third Parties with specific information on the policies and procedures adopted by the Company to implement this Model.



## **CHAPTER 6 : THE DISCIPLINARY SYSTEM**

### **6.1 Function of the disciplinary system**

The definition of a system of sanctions (commensurate with the violation and endowed with adequate deterrent efficacy) applicable in the event of violation of the rules set out in this Model and the Code of Ethics, ensures the effectiveness of the Supervisory Body's supervisory action and is intended to ensure also its effective implementation.

Under Art. 6(1)(e) of Legislative Decree 231/2001, the definition of this sanctions system amounts to, in fact, an essential requirement of the Model for the purposes of exempting the Company from liability.

The application of the disciplinary system and the relevant measures is independent from the course and outcome of any criminal proceedings that the judicial authorities file if the conduct to be censured also amounts to a relevant offence under Legislative Decree 231/2001. This is because the rules of conduct imposed by the Model are adopted by the Company in full autonomy, regardless of the offence that any conduct amounts to.

Also, this disciplinary system must be adequately disseminated as an integral part of the Model's implementation through adequate information and training activities to the Company's Employees and Collaborators.

This chapter contains a description of the sanctioning measures adopted by the Company for any violations of the Model and the Code of Ethics by the Addressees, in coordination with the disciplinary system set out in the applicable National Collective Labour Agreement and in compliance with the procedures set out in Art. 7 of Law No. 300 of 30 May 1970 (Workers' Statute).

More specifically, the Company adopts:

- (i) against Employees and Managers, the sanctions set out in sections 6.3 and 6.4, as indicated below; and

(ii) against the Board of Directors, the Company's board of statutory auditors, Third Parties and Collaborators, the sanctions system established by the contractual and legal provisions governing the matter, as better described respectively in sections 6.5, 6.6 and 6.8 below.

## **6.2 Violations of the Model and related sanctions**

The following conduct amounts to a breach that is subject to disciplinary measures and the application of consequent sanctions:

- breach of the rules of conduct and prohibitions set out in the Model and the Code of Ethics;
- violations of specific policies and procedures adopted in implementation of the Model and the Code of Ethics;
- repeated non-participation, without adequate justification, in training on the Model;
- failure to cooperate, when requested, with the Supervisory Body;
- failure to send information flows required under the Model, when repeated and intended to obstruct the functions of the Supervisory Body; and
- violation of the provisions set out in Legislative Decree 24/2023 and, in particular, of the prohibition against retaliation against the reporting person and the protection measures outlined in the Model for the reporting person and all persons involved in the reporting in any way.

The sanctions system is subject to constant verification and evaluation by the Supervisory Body and the Employer. The Employer remains responsible for concrete application of the disciplinary measures outlined herein when acting on a proposal from the Supervisory Body and after engaging with the hierarchical superior of the author of the censured conduct.

If the conduct in question amounts to a criminal offence, the disciplinary system is activated regardless of the conduct and outcome of any related criminal proceedings.

The Company may consider any confirmed criminal liability for the above relevant conduct when it applies sanctions affecting the variable part of remuneration (e.g., curtailment of or exclusion from bonuses).<sup>3</sup>

### **6.3 Measures against Employees**

Conduct by Employees in violation of the individual rules of conduct set out in this Model are classified as disciplinary offences.

Workers may be subject to the measures – in compliance with the procedures under Art. 7 of Law No. 300 of 30 May 1970 (Workers' Statute) and any applicable special regulations – set out in the sanctions penalties of the applicable CCNL, i.e.:

- verbal warning;
- written warning;
- fine;
- suspension from work and pay for up to a maximum of three days; and
- dismissal for misconduct under Art. 25.

All the CCNL's provisions remain applicable and are include:

- an obligation – regarding application of any disciplinary measures – to give the employee advance notice of the charge and hear the employee's defence;
- the obligation – except in the case of a verbal warning – to issue a written objection and to issue the responsive measure no less than five days after the objection is made (during which the Employee may present his justification);

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<sup>3</sup> See Milan Criminal Court, Sec. II, Decision No. 1070/2024.

- the obligation to justify the measure to the employee and communicate it in writing; and
- the relevance, for the purposes of determining the severity of the sanction, of any previous disciplinary record against the employee and the intentionality of the conduct.

The type and extent of each of the above sanctions will be applied, depending on:

- the intentionality of the conduct or degree of negligence, recklessness or inexperience, considering also the foreseeability of the event;
- the overall conduct of the employee, with particular regard to the existence or otherwise of the employee's disciplinary history, to the extent permitted by law;
- the worker's duties;
- the functional positions of all persons involved in the facts amounting to the fault; and
- any other particular circumstances that accompany the disciplinary breach.

With regard to the investigation of offences, disciplinary proceedings and the imposition of sanctions, the powers conferred on company management within the limits of their respective competences remain unchanged.

More specifically, the task of ascertaining and applying sanctions to Employees is assigned to the Employer, who may rely on the support of the Supervisory Body, which will be called on to express a non-binding opinion.

#### **6.4 Measures against managers**

If any executive Employees violate the procedures laid down in this Model or perform activities connected with Sensitive Activities in

breach of the Model, the Company must apply the most appropriate measures against those responsible, in accordance with applicable law and the respective Collective Bargaining Agreement.

The minimum sanction amounts to a verbal or written reprimand to the manager.

Dismissal may be considered in more serious cases, such as the commission of an offence.

The Company may consider any violations committed when setting executives' remuneration.

Sanctions are always commensurate with: (i) the manager's level of responsibility and autonomy; (ii) the intent and seriousness of the conduct; and (iii) the relevance of the obligations breached and consequences that the Company could reasonably be considered exposed to (also under Legislative Decree 231/2001) as a result of the complained conduct.

If several infringements subject to different sanctions are committed simultaneously, the most serious sanction applies.

With regard to investigations of offences, disciplinary proceedings and sanctions, the powers conferred on company management remain unchanged within the limits of their respective competences.

More specifically, the Board of Directors are responsible for ascertaining and applying sanctions against managers and may ask the Supervisory Body for support in the form of a non-binding opinion.

## **6.5 Measures against the Board of Directors**

If a director breaches the Model, the Supervisory Body informs the entire Board of Directors and the shareholders in order to take the appropriate measures. These include convening a Shareholders' Meeting to adopt the most appropriate measures envisaged by law.

## **6.6 Measures against the Company's Auditors**

If a Statutory Auditor breaches this Model, the Supervisory Body must inform the Board of Directors in order to take the appropriate measures. This includes convening a Shareholders' Meeting to adopt the most appropriate measures envisaged by law.

## **6.7 Measures against members of the Supervisory Body**

If any Supervisory Body members breach this Model, the Board of Directors must take appropriate measures. These include: (i) revoking the appointments of the Supervisory Body members who breached the Model and the consequent appointment of new members to replace them; or (ii) revoking the appointment of the entire Supervisory Body and the consequent appointment of a new Supervisory Body.

## **6.8 Measures against Third Parties and Collaborators**

Contracts with Third Parties and Collaborators must contain a specific clause regulating the consequences of their breach of the rules set out in the Decree (e.g., terminating the contractual relationship or any other contractual sanctions specifically envisaged, without prejudice to any claims for compensation, if such conduct causes concrete damage to the Company, e.g., if a court applies measures under the Decree).

Any violation by Third Parties or Collaborators of the rules set out in this Model applicable to them or the commission of Offences is sanctioned in accordance with the specific provisions in the respective contracts.

This is without prejudice to any claim for compensation if such conduct causes concrete damage to the Company, e.g., if the judicial authorities impose measures under Legislative Decree 231/2001

Sanctions against Third Parties and Collaborators fall under the responsibility of the Function managing the respective contract.

Persons who collaborate with the Company for only a limited period are also included in this category of recipients of disciplinary sanctions.

## **CHAPTER 7 : CHECKS ON THE MODEL'S ADEQUACY**

The Model's actual application and effective implementation is subject to appropriate monitoring.

These activities are carried out primarily by those responsible for operational activities under the management's supervision in accordance with the Special Section's protocols.

Additionally, the Supervisory Body – besides the supervisory activities carried out continuously on the Model's effectiveness (and that takes the form of verifying the consistency between the concrete conduct of the Recipients and the Model itself) – also periodically carries out specific controls on: (i) the Model's suitability, to prevent Offences from being committed; and (ii) its compliance with the regulations regarding the administrative liability of entities, as part of the periodic updating of the Model. For these controls, the Supervisory Body may use – where necessary – the support of external consultants capable of ensuring an external assessment of the activity performed.

All audits carried out and their outcomes are reported annually.

## CHAPTER 8 : THE MODEL'S COMPONENTS

This Model is structured over three levels: (1) organisation; (2) general control measures; and (3) specific control protocols.

### 8.1 Organisation

The organisational components of the Company's Model comprise:

- **Internal rules:** the rules in this Model (incl. the principles and rules of conduct, prohibitions and control measures outlined in the protocols of the Special Part of the Model) and the specific rules of conduct, company policies and procedures adopted and followed by the Company;
- **Organisational structure:** the presence of a corporate organisation that is consistent with the company's activities, capable of ensuring the correctness of conduct, as well as guaranteeing a clear and organic allocation of tasks and an appropriate segregation of functions, ensuring that the structures envisaged by the organisational structure are actually implemented and subject to control through: (i) a formally defined organisational chart accompanied by individual job descriptions; and (ii) a formalised architecture of delegate and proxy powers, which form an integral and substantial part of the Model;
- **Supervisory Body:** this is the body created by virtue of the Model, endowed with autonomy, independence, continuity of action and professionalism. This body has the task of supervising the functioning and compliance with the Model and suggesting updates to it. It has been invested of spending powers and the power to access corporate information and remains supported by the competent corporate functions.



## **8.2 General control measures**

Below are the general safeguards that are envisaged as an essential part of the Model and that must always be applied and complied with, regarding all Sensitive Activities considered in the Model's Special Part:

### **8.2.1 Code of Ethics and Code of Conduct**

The adoption of a Code of Ethics (annexed to and an integral part of this Model) and a Code of Conduct (e.g., governance tools) amounts to an essential element of the preventive control system. These documents impose a prohibition on conduct that conflicts with legal provisions and ethical and deontological values.

### **8.2.2 System of delegated and proxy powers**

The Company adopts and keeps updated over time a system of powers based on formalised delegations and powers of attorney.

More specifically, the delegation amounts to an internal act of attribution of functions, tasks and responsibilities. Closely related to delegation is the power of authorisation, understood as the power of approval with an internal value that relates to the exercise of a delegated power.

A power of attorney (also understood as a power of 'signature/representation'), however, amounts to a unilateral legal deed whereby the Company assigns specific powers of representation; this deed legitimises the addressee to enter into relations and negotiate with third parties in the name of the Company.

The powers are strictly connected and consistent with the organisational and management responsibilities assigned and circumscribed, where appropriate, to specific value limits.

The allocation of powers of attorney and proxies complies with the following mandatory principles:

- definition of roles, responsibilities and controls in the process of conferring, updating and revoking delegated and proxy powers;
- conferment, updating and revocation of delegated and proxy powers based on the roles held within the organisation (with alignment in the event of organisational changes) and changes to individual roles and responsibilities or the exit/entry of persons;
- timely and constant dissemination of information on the ownership of and changes to the powers granted;
- traceability and archiving all documentation regarding delegated and proxy powers conferred and variations of them;
- periodic verification that powers of representation are exercised in conformity with powers of attorney granted; and
- periodic monitoring of the adequacy of the system of powers and its updating, with regard to any developments in the Company's business.

The Supervisory Body periodically verifies compliance with the system of delegated and proxy powers implemented by the Company and their consistency with the principles and general rules indicated above. Simultaneously, at the outcome of the checks, the Supervisory Body recommends any changes or additions.

### **8.2.3 Segregation**

The performance of Sensitive Activities must be based on the principle of segregation of duties: the person making the decision and the person implementing it must have no personal or business connections or relations to the person in charge of carrying out the checks and any payments. Segregation of duties must be ensured by the intervention of several persons within the same process and may be implemented by using computer systems that only allow specific identified and authorised persons to perform certain operations. Where

segregation of duties cannot be fully guaranteed, compensatory controls must be in place.

This safeguard serves to prevent an Employee or Collaborator from being able to conceal errors or irregularities when performing his/her duties from other colleagues engaged in the same operations. This means that an Employee or Collaborator could conceal an error or irregularity only by colluding with multiple managers.

#### **8.2.4 Traceability and archiving**

All Sensitive Activities must be organised to ensure document traceability and ex post verifiability of each relevant process step – as well as the correct and documented filing and storage of the relevant documentation in relation to each process – through computerised and/or paper support.

This control serves to ensure that all corporate operations are authorised at a predefined level and that they are supported by adequate documentation to achieve transparency of all operations and their verification at any time.

#### **8.2.5 Cash flow management and control system**

Financial flows are managed in compliance with the principles of traceability and documentability of operations carried out, as well as consistency with the powers and responsibilities assigned.

Controls over financial flows are implemented by verifying all supporting documentation for each incoming and outgoing movement and by regular monitoring, more specifically:

- a management mode whereby the movements of financial flows are requested, authorised and controlled by entities that are as distinct as possible, or in any case managed through IT systems that guarantee a separation of roles;

- the presence of special authorisation levels for the use of liquidity for amounts exceeding predetermined levels; and
- the ability to provide timely warning of the existence and emergence of critical situations through an adequate and timely system of information flows and reporting.

### **8.2.6 Remuneration system**

The remuneration and possible incentive system for all Company employees and non-employees who work on behalf of or in the interests of the Company is:

- designed and managed with the aim of remunerating the role held, considering the responsibilities assigned and skills and abilities demonstrated, as well as an accurate risk assessment; and
- aimed at rewarding the results obtained, considering the conduct implemented to achieve them, informed by full compliance with current legislation, the Model and the Company's rules of conduct.

### **8.2.7 Controls and monitoring**

The Model envisages verifying (periodically or ad hoc) each Sensitive Activity and monitoring the performance of activities in compliance with the Model.

### **8.2.8 Information flows and reporting**

By virtue of the provisions set out in sections 4.8 and 4.9, the Company's Supervisory Body receives a flow of information and reports that are broad and analytical enough to promptly alerting the SB to facts and circumstances relevant to the Model's supervision.

### **8.2.9 Contractual clauses**

Each contract of the Company that regulates the performance of a Sensitive Activity must have appropriate clauses whereby: (i) the

counterparty declares that they understand and will comply with the principles set out in the Decree and in the Company's Model; and (ii) the Company may terminate the respective contracts if the counterparty breaches any of these obligations

### **8.2.10 Occupational health and safety control system**

Together with the Model, the Company adopts, manages and updates an adequate workplace health and safety management system that complies with Legislative Decree 81/2008 and other applicable regulations.

The basis of the health and safety control system is the DVR (Risk Assessment Document), prepared in accordance with Legislative Decree No. 81 of 9 April 2008, as amended, which provides a comprehensive and documented assessment of all risks to workers' health and safety, defines the appropriate prevention and protection measures and the planning of actions to ensure the improvement of health and safety levels over time.

### **8.3 Specific control protocols**

In addition to the general controls described above and to those already adopted by the Company and referred to in the risk assessment file, the Company also adopts specific control protocols that set the principles and rules of conduct, prohibitions and control measures associated with Sensitive Activities.

The control protocols form the Special Section of the Model.