



SCUOLA POLITECNICA DI DESIGN CROSSCOM S.R.L.

**MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL
IN ACCORDANCE WITH LEGISLATIVE DECREE NO. 231 OF JUNE 8,
2001**

Rev.	Date	Nature of the change
00	2011	Adoption of the Organization, Management and Control Model of Scuola Politecnica di Design - Crosscom s.r.l., with appointment of the Sole Director

01	April 26, 2023	Update of the Organization, Management and Control Model of Scuola Politecnica di Design - Crosscom s.r.l., with a resolution by the Board of Directors
----	----------------	---

TABLE OF CONTENTS

GENERAL PART.....	1
1. REGULATORY FRAMEWORK	1
1.1. Legislative Decree No. 231 of 2001.	1
1.1.1. Offenses under Legislative Decree 231/2001	1
1.1.2. Sanctions	3
1.1.3. Crimes committed abroad.....	5
1.1.4. Exclusion of administrative liability of entities	5
1.2. Guidelines for the preparation of Organization, Management and Control Models	8
2. SCHOOL ACTIVITIES AND GOVERNANCE	8
2.1. Description of the activity of Scuola Politecnica di Design - Crosscom S.r.l.....	8
2.2. School Organization	9
2.3. Internal control system	10
3. ORGANIZATION, MANAGEMENT AND CONTROL MODEL AND METHODOLOGY USED FOR THE ADOPTION AND UPDATING OF THE MODEL 12	
3.1. Motivations of the School in adopting and constantly updating the Organization and Management Model.....	12
3.2. Activities carried out to update the Model.....	13
4. STRUCTURE OF THE MODEL	14
5. RECIPIENTS.	14
6. SUPERVISORY BODY.....	15
6.1. Composition of the Supervisory body	15
6.2. Functions and powers	18
6.3. Information flow to the Supervisory Body.	20
6.4 Reporting crimes or irregularities within the employment relationship (so-called <i>Whistleblowing</i>).....	21
6.5. Information flows from the Supervisory body to corporate bodies and the Lombardy Region	23
6.6. Collection and storage of information	24

7. THE DISCIPLINARY SYSTEM.....	25
7.1. Measures in respect of non-management employees.....	25
7.2 Measures concerning the self-employed workers	27
7.3. Measures concerning external collaborators and suppliers	27
7.4 Measures against Managers and Directors.....	28
8. TRAINING AND INFORMATION	29
9. CRITERIA FOR UPDATING AND ADJUSTING THE MODEL.....	30

List of Presumed Offenses under Legislative Decree 231/2001 (**Annex 1**)

Organizational chart and job description (**Annex 2**)

Code of Ethics (**Annex 3**)

GENERAL PART.

1. REGULATORY FRAMEWORK

1.1. Legislative Decree No. 231 of 2001.

Legislative Decree No. 231 of June 8, 2001 (hereinafter also referred to as the "Decree" or "**the Legislative Decree 231/2001**"), issued in implementation of the delegation conferred to the Government by Article 11 of Law No. 300 of September 29, 2000, introduced in Italy the discipline of "corporate and/or entities *liability for administrative offenses resulting from criminal acts.*" This legislation is part of a broad legislative process aimed at combating corruption and aligning Italian regulations on the liability of legal entities with certain international conventions signed by Italy. The provisions introduced by Legislative Decree 231/2001 apply to entities with legal personality, as well as to companies and associations, even in the absence of legal personality.

According to Art. 5 paragraph 1 of the Decree, entities can be held "liable" for certain crimes committed or attempted in their interest or to their advantage, by members of the company's top management (referred to as "persons holding top positions" or simply "top executives") and by individuals who are "subject to the management or supervision" of these executives (Art. 5 paragraph 1 Legislative Decree 231/2001).

The administrative liability of entities is autonomous and separate from the criminal liability of the individual who committed the offense, and it exists only for the offenses listed in the same Decree.

However, this administrative liability is excluded if, among other conditions, the organization has adopted and effectively implemented, prior to the commission of the offenses, an Organization, Management, and Control Model suitable for preventing offenses of the same nature as the one that occurred (art. 6 paragraph 1, lett. a) of the Decree).

1.1.1. Offenses under Legislative Decree 231/2001

The types of crimes that can give rise to administrative liability of an organization are only those expressly referred to in Legislative Decree 231/2001:

– Crimes against the Public Administration (Art. 24 and Art. 25 of Legislative

- Decree 231/2001);
- Computer crimes (Article 24-*bis* of Legislative Decree 231/2001);
 - Organized crime offenses (Article 24-*ter* of Legislative Decree 231/2001);
 - Crimes of counterfeiting money, public credit cards, stamps securities and tools or signs of recognition (Article 25-*bis* of Legislative Decree 231/2001);
 - Crimes against industry and trade (Article 25-*bis*.1 of Legislative Decree 231/2001);
 - Corporate crimes (Article 25-*ter* of Legislative Decree 231/2001);
 - Crimes for the purpose of terrorism or subversion of democratic order (Article 25-*quater* of Legislative Decree 231/2001);
 - Crimes against the individual (Art. 25 *quater*.1 and Art. 25-*quinquies* of Legislative Decree 231/2001);
 - Offenses related to market abuse (Article 25-*sexies* of Legislative Decree 231/2001);
 - Occupational health and safety offenses (Article 25-*septies* of Legislative Decree 231/2001);
 - Offenses of Receiving, Money Laundering and Use of Money, Goods or Benefits of Unlawful Origin and Self-Money Laundering (Article 25-*octies* of Legislative Decree 231/2001);
 - Crimes related to non-cash payment instruments (Article 25-*octies*.1 of Legislative Decree 231/2001);
 - Copyright infringement crimes (Art. 25-*nonies*);
 - Crime of inducement not to make statements or to make false statements to judicial authorities (Article 25-*decies* of Legislative Decree 231/2001);
 - Transnational crimes (such as, for example, criminal conspiracy and crimes of obstruction of justice, as long as the crimes themselves have the requirement of "transnationality") indicated by Article 10 of Law No. 146 of March 16, 2006;
 - Environmental crimes (Article 25-*undecies* of Legislative Decree 231/2001);
 - Offenses of employing third-country nationals undocumented and aiding and abetting the illegal entry of foreigners and the illegal stay of foreigners in the country (Article 25-*duodecies* of Legislative Decree 231/2001);
 - Crimes of racism and xenophobia (Article 25-*terdecies* of Legislative Decree

231/2001);

- Offenses of fraud in sports competitions and illegal betting and gambling activities (Article 25-*quaterdecies* of Legislative Decree 231/2001);
- Tax offences (Article 25-*quinquiesdecies* of Legislative Decree 231/2001);
- Smuggling offences (Article 25-*sexiesdecies* of Legislative Decree 231/2001);
- Crimes against cultural heritage (Article 25-*septiesdecies* of Legislative Decree 231/2001);
- Offenses of laundering of cultural property and devastation and looting of cultural and scenic property (Article 25-*duodevicies* of Legislative Decree 231/2001).

Article 23 of Legislative Decree 231/2001 ("Failure to comply with prohibitory sanctions") also provides for the punishability of the organization if, in the performance of the activity of the same organization to which a sanction or prohibitory precautionary measure has been applied, the obligations or prohibitions inherent in such sanctions and measures are transgressed.

For details on each offense that constitutes the basis for the administrative liability of the organization, please refer to the attached document (Annex 1).

1.1.2. Sanctions

Legislative Decree 231/2001, in Articles 9 - 23, provides for the following types of sanctions against the organization as a result of the commission or attempted commission of the above-mentioned crimes:

- Monetary penalties (and precautionary seizure);
- Prohibition sanctions (also applicable as precautionary measures) that may consist of:
 - Prohibition from carrying out the activity;
 - Suspension or revocation of authorizations, licenses or concessions related to the commission of the offense;
 - Prohibition of contracting with the public administration, except for obtaining public services;
 - Exclusion from benefits, financing, contributions or subsidies and the possible revocation of those granted;
 - Prohibition from advertising goods or services;

- Confiscation of the price or profit of the crime (and precautionary seizure in pre-trial proceedings);
- Publication of the judgment (in case a disqualifying sanction is imposed).

The monetary penalty is determined by the court through a "quota" based system, which involves an increasing number of quotas based on the severity of the offense and an increasing value of the quota based on the economic capacity of the organization.

Prohibition sanctions apply in relation only to the administrative offenses for which they are expressly provided and provided that at least one of the following conditions is met:

- a) The organization has derived a significant profit from the commission of the crime and the crime has been committed by persons in top positions or by individuals under the direction of others when, in the latter case, the commission of the crime was determined or facilitated by serious organizational deficiencies;
- b) In case of repeated offenses.

The judge determines the type and duration of the prohibitory sanction, taking into account the suitability of individual sanctions to prevent offenses of the type committed and, if necessary, may apply them jointly (Art. 14 paragraph 1 and 3 L.D. 231/2001).

The sanctions of prohibition from conducting business, prohibition from contracting with the Public Administration and prohibition from advertising goods or services may be applied - in the most serious cases - permanently. The continuation of the organization's activity (in lieu of the imposition of a permanent sanction) may be entrusted to a commissioner appointed by the judge pursuant to and under the conditions of Article 15 of Legislative Decree 231/2001.

In the case of **committing crimes in the forms of attempt**, monetary penalties (in terms of amount) and prohibition sanctions (in terms of duration) are reduced by one-third to one-half (Art. 26 Legislative Decree 231/2001).

The imposition of sanctions is excluded in cases where the organization voluntarily prevents the performance of the action or the realization of the event (Article 26 Legislative Decree 231/2001). In such cases, the exclusion of sanctions is justified by the interruption of any identification relationship between the organization and individuals who claim to act on its behalf.

1.1.3. Crimes committed abroad

Pursuant to Article 4 of Legislative Decree 231/2001, the organization can be held accountable in Italy in connection with crimes – provided by the same Decree - committed abroad.

The conditions for the organization's liability for offenses committed abroad are as follows:

1. The crime must have been committed by a person functionally related to the organization, pursuant to Article 5 paragraph 1 of the Decree;
2. The organization must have its head office in the territory of Italy;
3. The organization can be liable only in the cases and under the conditions provided for in Articles 7, 8, 9, 10 of the Criminal Code (in cases where the law provides that the perpetrator - a natural person - is punished at the request of the Minister of Justice, proceedings are brought against the organization only if the request is also made against the organization itself). Additionally, in compliance with the principle of legality stated in Article 2 of the Decree, the organization can be held accountable only for offenses for which its liability is specifically provided by a legislative provision;
4. The cases and conditions set forth in the aforementioned articles of the Criminal Code subsisting, the State of the place where the act was committed shall not prosecute the organization.

1.1.4. Exclusion of administrative liability of entities

A characteristic element of the legislative framework provided by Legislative Decree 231/2001 is the exemption value attributed to the Model of Organization, Management, and Control adopted by the organization (hereinafter referred to as "Model" or "Organizational Model").

In fact, in the case of an offense committed by a person holding top positions, the organization is not liable if it proves that (Art. 6 paragraph of Legislative Decree 231/2001):

- The management body has adopted and effectively implemented, prior to the commission of the offence, an adequate Organization, Management and

Control Model suitable for preventing crimes of the same nature as the ones that occurred;

- Entrusted an internal Supervisory body, endowed with autonomous powers of initiative and control, with the task of supervising the operation of and compliance with the Model and taking care of its updating;
- The individuals who committed the offense acted by fraudulently circumventing this Model;
- There was no omission or insufficient supervision by the Supervisory body.

In the case of an offense committed by **persons holding top positions**, therefore, there is a presumption of responsibility on the part of the School, arising from the fact that these individuals express and represent the policy and thus the will of the organization itself.

This presumption, however, can be overcome if the organization succeeds in proving its extraneousness to the facts alleged against the **persons holding top positions** by proving the existence of the above-mentioned competing requirements and, by implication, the circumstance that the commission of the crime does not result from its own "organizational fault."

In the case, on the other hand, of an offense committed by **individuals subject to the direction or supervision of others**, the organization is liable if the offense was made possible by the violation of the management or supervisory obligations with which it is required to comply (Article 7 of Legislative Decree 231/2001). In that case, it is the prosecution that will be required to prove the failure to adopt and effectively implement an Organization, Management and Control Model suitable for preventing crimes of the kind that occurred.

Legislative Decree 231/2001 outlines the content of organization and management models by providing that they, in relation to the extent of delegated powers and the risk of commission of crimes, as specified by Art. 6 paragraph 2, must:

- Identify the activities within the scope of which crimes may be committed;
- Provide specific protocols aimed at planning the formation and implementation of the organization's decisions in relation to the crimes to be prevented;
- Identify ways of managing financial resources suitable for preventing the

commission of crimes;

- Provide for specific information obligations to the body responsible for supervising the operation of and compliance with the models;
- Introduce an appropriate disciplinary system to punish non-compliance with the measures specified in the model;
- Provide, in relation to the nature and size of the organization, as well as the type of activity carried out, appropriate measures to ensure that the activity is carried out in compliance with the law and to discover and eliminate risk situations in a timely manner.

Art. 7 paragraph 4 Legislative Decree 231/2001 also defines the requirements for the effective implementation of organizational models:

- Periodic verification and possible modification of the model when significant violations of the requirements are discovered, or when changes occur in the organization and activity;
- A disciplinary system suitable for sanctioning the failure to comply with the measures indicated in the model.

With reference to occupational health and safety offenses, the Organizational Model was drafted in accordance with the *standards* of the UNI ISO 45001 certification and in accordance with the provisions of Article 30 of Legislative Decree 81/2008 (the so-called Consolidated Safety Act), which stipulates that the Organizational and Management Model must be adopted by implementing a company system for the fulfillment of all related legal obligations to:

- Compliance with the statutory technical-structural *standards* relating to equipment, facilities, workplaces, chemical, physical and biological agents;
- Risk assessment activities and preparation of consequent prevention and protection measures;
- Organizational activities such as emergencies, first aid, management of contracts, periodic safety meetings, consultations with worker representatives for safety;
- Health surveillance activities;
- Worker information and training activities;
- Supervisory activities with reference to workers' compliance with safe work procedures and instructions;

- Acquisition of documentation and certifications required by law;
- Periodic reviews of the application and effectiveness of the procedures adopted.

1.2. Guidelines for the preparation of Organization, Management and Control Models

In addition, the Model was drafted by referring to the "*Guidelines for the construction of organization, management and control models pursuant to Legislative Decree 231/2001*" issued by Confindustria on March 7, 2002, partially amended on March 31, 2008 and July 23, 2014, as well as most recently updated in June 2021, approved by the Ministry of Justice.

It should be understood that any deviations from the aforementioned Guidelines would not automatically render the Model unsuitable, as it must be adapted to the specific company's reality.

Pursuant to Art. 6 paragraph 3 of Legislative Decree 231/2001, organization and management models can be adopted on the basis of codes of conduct drawn up by associations representing entities. These codes of conduct are communicated to the Ministry of Justice, which, in agreement with the competent Ministries, may provide observations on the adequacy of the models in preventing offenses within thirty days.

This Model has been prepared taking into account the indications contained in the Confindustria Guidelines as well as in the "Regional Guidelines for the definition of organization, management and control models of accredited entities that provide services within the education-training-work chain" issued by the Lombardy Region.

2. SCHOOL ACTIVITIES AND GOVERNANCE

2.1. Description of the activity of Scuola Politecnica di Design - Crosscom S.r.l.

Scuola Politecnica di Design - Crosscom S.r.l. (hereinafter also only "SPD" or "School") with registered office in P.le Lugano 19, 20158, Milan (MI), is engaged in the following activities:

- Realization and sale of a complete range of consultancy, marketing, editorial, educational, and technological services in the field of

communication and design. The School pays particular attention, albeit not exclusively, to cross-media and interactive communication through all means of communication. For this purpose, it may organize, promote, and manage training courses, conferences, seminars, and other events. It may also acquire and manage non-university and post-university professional training courses in accordance with the current sector regulations;

- Production and marketing of *software* and *hardware* products;
- Production and marketing of editorial products and services, excluding daily press;
- Management, on behalf of third parties, of the advertising, marketing, and communication area, providing systems and services related to market research and sales assistance for products and services.

Furthermore, the School may carry out, albeit not predominantly compared to its corporate purpose, all movable, immovable, commercial, industrial, and financial operations considered necessary or useful by the administration for the achievement of its corporate purpose. It may also assume loans and financing in general and provide guarantees, including real guarantees, to third parties, provided that these operations are not carried out towards the public or predominantly so.

2.2. School Organization

The company is managed by a Board of Directors (hereinafter, also "BOD" or "Board") consisting of 3 members, appointed by the Shareholders' Meeting.

The Board plays a major role in organizing the school's activities, supported by the staff having leadership functions.

The Board has all the powers of ordinary and extraordinary administration, and it has the authority to perform all acts it deems appropriate for the implementation and achievement of the corporate purposes, except for those expressly reserved by law for the Shareholders' Assembly.

Legal representation of the Company both in dealings with third parties and in legal proceedings is entrusted to the Chairman of the Board of Directors and the Chief Executive Officer, who have the authority to use the company's signature.

The organizational structure of the School is described in the Organizational Chart and Job Description (**Appendix 2**), which are integral parts of this

Organizational Model.

Modification or updating of the Organizational Chart or the Job description does not necessarily imply revision of the Model, unless such changes involve significant changes in the rules prescribed.

In summary, the organizational structure of the School can be represented as follows:

- The Chief Executive Officer performs the function of General Manager and is responsible for:
 - a. Quality manager;
 - b. Administration;
 - c. Didactic Coordination;
 - d. General Services;
 - e. Didactic office;
 - f. *Communication specialist*;
 - g. Promotion and PRM Office;
 - h. *Digital marketing specialist*.
- The Protection and Prevention Service Manager (RSPP) is an external consultant;
- The Sole Auditor, who also serves as the Statutory Auditor.

2.3. Internal control system

The system of internal controls consists of:

- The General Part of the Model;
- The Special Part of the Model;
- The Code of Ethics;
- The organizational structure designed to ensure a clear and organic assignment of tasks;
- The Certificate of Compliance with the *Standard* UNI EN ISO 9001:2015;
- The system of delegations and decision-making powers consistent with assigned responsibilities ensuring a clear and transparent representation

- of the company's decision-making and implementation process;
- Management procedures related to accreditation;
- The Risk Assessment Document *pursuant to* Legislative Decree No. 81/2008;
- The *Privacy* Compliance data protection Management System;
- The Sanctioning System.

The behavioral rules and procedures identified by the system of internal controls, although not issued (with the obvious exception of the Model) in fulfillment of the provisions of Legislative Decree 231/2001, have among their main purposes the control of the regularity, diligence and legitimacy of the behavior of those who represent or are employees of the School and, therefore, contribute to ensuring the prevention of the crimes presupposed for the application of Legislative Decree 231/2001.

The Model prepared and updated by the School is based on a system consisting of organizational procedures and control activities that:

1. Identify processes/activities potentially at risk of crime, assess the level of related risk, verify it and document it (*Risk Management*);
2. Define an internal regulatory system aimed at planning the training and implementation of the School's decisions in relation to risks/offenses in compliance with the:
 - Code of Ethics, which sets out the behavioral guidelines and ethical values underlying business decisions (**Annex 3**); the Code of Ethics should be considered an integral part of this Model and a fundamental tool for achieving the objectives of the latter;
 - A system of internal proxies and powers of attorney that ensures a clear and transparent representation of the company's decision-making and implementation process, in compliance with the principle of separation of functions;
3. Identify the processes for managing and controlling financial resources in activities potentially at risk of crime;
4. Assign to the Supervisory body specific tasks of supervising the effectiveness and proper functioning of the Model, its consistency with the objectives and its periodic updating, as well as the responsibility for

monitoring its dissemination to School personnel, external collaborators and third parties in general that have relevant relations with the School.

The objectives of the internal control system are:

- The efficiency and effectiveness of business processes;
- The adequate control of risks;
- The reliability and integrity of accounting and management information;
- The accuracy and truthfulness of the information flows transmitted to the Lombardy Region;
- Compliance of the activity with applicable regulations, directives and company procedures.

Every document related to administrative management must be prepared in accordance with current regulations.

It is prohibited to deliberately falsify or manipulate administrative or corporate documents.

3. ORGANIZATION, MANAGEMENT AND CONTROL MODEL AND METHODOLOGY USED FOR THE ADOPTION AND UPDATING OF THE MODEL

3.1. Motivations of the School in adopting and constantly updating the Organization and Management Model

The decision of SPD's Governing Body to implement a Model in accordance with Legislative Decree 231/2001 represents not only the means to prevent the commission of the types of offenses outlined in the Decree but also an act of social responsibility towards all stakeholders (shareholders, staff, students, suppliers, etc.) and the socio-economic context in which the School operates.

In particular, the adoption and dissemination of an Organizational Model aim, on the one hand, to determine the full awareness in a potential offenders that such behavior is strongly condemned by the School and contrary to its interests, and, on the other hand, through constant monitoring of the activity, to enable the School itself to prevent and react promptly in order to prevent the commission of an offense.

Although, in general, the adoption of a Model does not constitute an obligation under Legislative Decree 231/2001, the Lombardy Region, as mentioned, by its

own Deliberation (no. 6696/2022) has included this fulfillment among the requirements that private health care facilities must meet for the purposes of accreditation. Given the various legislative changes that have affected Legislative Decree 231/2001 (resulting in the modification of certain offenses and the introduction of new circumstances that may lead to liability under the Decree) that have occurred since the date of the last update, the School has chosen to initiate a further updating project (hereinafter "the Project"). The objective of the Project is to introduce protocols for the prevention of offenses not covered in the previous version of the Model and to modify the School's current Model accordingly.

3.2. Activities carried out to update the Model

This Model was adopted and subsequently updated following the operational steps indicated by the Guidelines of the Lombardy Region and Confindustria, which are specified below.

The Project mainly followed two guidelines:

- *Risk assessment* update;
- Revision of the previous Model, considering the results of the analysis conducted as specified below:
 - Carrying out an *audit* activity, including through the analysis, documentary, of the structure and organization of the School, in order to better understand the activity carried out and to identify the areas subject to intervention;
 - Analysis of the practice, procedures and protocols adopted by the School and meeting the requirements for the purpose of accreditation;
 - Updating and identifying the processes and activities in which the crimes referred to in Legislative Decree 231/2001 could theoretically be committed;
 - Identification of *key officers*, i.e., individuals who, based on functions and responsibilities, have in-depth knowledge of sensitive areas/activities, as well as the control mechanisms currently in place;
 - Meeting with *key officers* and the CEO and transmission of questionnaires, in order to gather the information necessary to understand the roles and responsibilities of individuals participating

in sensitive processes and to identify and analyze the procedures already in place and the degree of process segregation;

- *Gap analysis and action plan*, aimed at identifying both the organizational requirements that characterize a Model suitable for preventing the crimes referred to in Legislative Decree 231/2001 and the improvement actions to be implemented in individual sensitive areas;
- Definition of the Organization, Management and Control Model pursuant to Legislative Decree No. 231/2001 and the updated Code of Ethics.

4. STRUCTURE OF THE MODEL

The Model, as prepared as a result of the activity described above, consists of:

1. **A General Part**, containing a description of the relevant legal framework, the activity carried out by the organization and the definition of the structure necessary for the implementation and dissemination of the Model such as the functioning of the Supervisory body, the disciplinary system and the identification of training and information tools;
2. **A Special Part**, which describes the control protocols with reference to the individual sensitive activities identified, the risk of which has been deemed relevant to the business activities carried out by Scuola Politecnica di Design - Crosscom S.r.l.

5. RECIPIENTS.

The provisions of this Model are addressed to the Board of Directors, the Management, all those within the School who hold positions of representation, administration, and management (referred to as "persons holding top positions" or simply "top executives"), employees (by which is meant all those who are linked to the School by a subordinate working relationship, including managerial staff) and collaborators (e.g. technicians, school collaborators); in addition, where applicable, the rules and principles of conduct contained in the Model must also be observed by suppliers, consultants and users in the context of their relationships with the School (hereinafter also referred to as the "**Recipients**").

6. SUPERVISORY BODY

6.1. Composition of the Supervisory body

Pursuant to Article 6 paragraph 1 lett. b) Of the Decree, the organization may be exempted from administrative liability resulting from a crime if "*the task of supervising the functioning and observance of the models and ensuring that they are updated has been entrusted to a body of the organization equipped with independent powers of initiative and control.*"

Legislative Decree 231/2001 does not provide specific indications on the composition of the Supervisory Body (hereinafter also "SB"). Nonetheless, the Lombardy Region Guidelines provide for the establishment of such a Body (calling it the Evaluation Committee) with the task of supervising the functioning, observance and updating of the Code of Ethics, to be understood as a reminder of the entire prevention system set forth in Legislative Decree 231/2001.

In compliance with these Guidelines, and, taking into account the purposes pursued by the law and the guidelines drawn from case law, the Organization has opted for a multi-subjective Body, composed of two members identified based of their specific skills and characteristics, such as professional ethics, independence of judgment and moral integrity.

This solution appears capable of ensuring, in relation to the size of the School and the nature of the activity carried out, the effectiveness of the controls to which the Supervisory Body is entrusted and has been judged suitable because:

- a. The autonomy, independence and related freedom of judgment that the Supervisory Body must necessarily have is ensured by the presence, as a member of the SB, of a person external to the School - not bound by an employment relationship directly with the School - and an internal person with specific skills and who holds precise roles in the corporate organizational chart;
- b. Professionalism is ensured by the specific skills acquired by the members of the SB, both internal and external to the School, as well as by the authority granted to them to make use of both the heads of the various corporate functions and external consultants to carry out the technical operations necessary for the performance of the control function.

In any case, the Board of Directors is given the power to change the collegial composition of the Supervisory Body by opting for the monocratic form,

specifying, within the act of appointment, the reasons for this choice and those for which it considers that the solution is still suitable to ensure adequate supervision.

The Supervisory Body is appointed by the School Board of Directors and remains in office for the term established at the time of appointment. Upon the expiration of the term, the Supervisory Body remains in office until the next Board of Directors meeting at which new appointments (or re-elections) are made.

By the act of appointment, the BoD recognizes and establishes the fees payable to the Supervisory Body.

The appointment as a member of the SB is conditioned on the presence of subjective requirements of honorability, integrity, and respectability, as well as the absence of causes of incompatibility with the appointment itself - attested by a specific declaration at the time of appointment stating that the individual:

- Is not a member of the decision-making body or a managing director;
- Does not have a relationship of spouse, kinship or affinity within the 4th degree inclusive with members of the School's decision-making body;
- Does not, directly or indirectly, hold shares of a size that would allow them to exercise significant influence over the School;
- Is not subject to conflicts of interest, even potential ones, such as to undermine independence or coincidences of interest exorbitant from the ordinary one that is grounded in the relationship of dependence and related loyalty or in the relationship of intellectual work;
- Has not performed, at least in the three fiscal years prior to the assignment of the position, functions of administration, management or control in companies subject to bankruptcy, compulsory liquidation or similar procedures, or in companies operating in the credit, financial, securities and insurance sectors subject to extraordinary administration procedures;
- Has not been convicted with a judgment, even if not final, or with a judgment of application of the penalty on request (so-called plea bargaining), in Italy or abroad, for the crimes referred to in Legislative Decree 231/2001 or for other crimes in any way affecting professional morality, including the case in which the benefit of the conditional

suspension of the penalty has been granted. This is without prejudice to the effects of rehabilitation;

- Has not been subjected to preventive measures ordered by the Judicial Authority;
- Has not been sentenced by a judgment, even if not res judicata, to a penalty that entails disqualification, including temporary disqualification, from public office, or temporary disqualification from the executive offices of legal persons and enterprises, including the case in which the benefit of suspended sentence has been granted.

If any of the above-mentioned reasons for ineligibility should arise for an already appointed individual, they will automatically cease to hold the position. In such cases, the BoD will provide for the replacement through its determination. In order to ensure the necessary timeliness, the member of the Supervisory body concerned is requested to promptly notify the Board of Directors of the loss of any of the subjective requirements to which the appointment is conditioned.

The termination of office may occur, in addition to expiration, also by revocation ordered by the same Board of Directors against the member of the SB who has carried out his or her duties with negligence or bad faith, or the one in whose head any other "just cause" can be discerned.

In this regard, "just cause" means, by way of example but not limited to: serious negligence in the performance of duties related to the position; omitted or insufficient supervision; assignment of operational tasks incompatible with the functions of the SB; termination of another position in the event that the same was the explicit prerequisite for appointment as a member of the SB.

Finally, the termination of office can, also, occur by resignation: the members of the SB who resign their office are required to give written notice to the Board of Directors (and the SB itself) so that they can be promptly replaced.

In any case of forfeiture, revocation, resignation, or other hypothesis of termination of office, the entire Supervisory Body also lapses if this results in the loss of the majority of its members. In such a case, the BoD shall, without delay, reconstitute it.

6.2. Functions and powers

The SB has specific powers of initiative and control, which it can exercise with respect to all parties, including the Board of Directors, external collaborators and consultants of the School.

The exercise of the powers must be carried out in the time strictly functional to the tasks of the SB and in compliance with the relevant protective legislation (such as, for example, legislation protecting personal data, legislation protecting professional secrecy, legislation protecting workers, etc.).

In particular, the SB is entrusted with the following tasks for the performance and exercise of its functions:

- Periodically verify the efficiency and effectiveness of the Model also in terms of the correspondence between the operating methods followed in practice and the procedures formally provided for or referred to in the Model itself;
- To take care of, develop and promote the constant updating of the Model, making proposals to the Board of Directors for any updates and adjustments, to be carried out through the amendments and/or additions that may be necessary as a result of: i) significant violations of the requirements of the Model; ii) significant changes in the internal structure of the School and/or the way in which business activities are carried out; iii) regulatory changes;
- Ensure the periodic updating of the mapping and classification of sensitive activities;
- Manage relationships and ensure relevant information flows within its competences towards the BoD ;
- Promote and define initiatives for the dissemination of knowledge and understanding of the Model, as well as for personnel training and staff awareness of compliance with the principles contained in the Model;
- Provide clarification regarding the meaning and application of the provisions contained in the Model;
- Establish an effective internal communication system to enable the transmission of news relevant to Legislative Decree 231/2001 while ensuring the protection and confidentiality of the whistleblower;
- Collect and store reports on any critical issues or possible violations of the measures provided for in the Model, as well as any behavior that may

- expose the School to the risk of committing crimes;
- Conducting internal investigations to ascertain alleged violations of the Model, including in relation to the above reports;
 - Identify any behavioral deviations that may arise from the analysis of information flows and reports to which the heads of the various functions are bound;
 - Have free access to any office of the School to request and acquire information, documentation and data, deemed necessary for the performance of duties under Legislative Decree 231/2001, from all employees and management personnel;
 - Request relevant information from collaborators, consultants and representatives outside the School;
 - Promptly report, for appropriate action, ascertained violations of the Model and, in particular, those that could result in liability for the School;
 - Promote the activation of any disciplinary proceedings and propose any sanctions provided for in this Model;
 - Verify and evaluate the suitability and effective application of the disciplinary system pursuant to and for the purposes of Legislative Decree 231/2001;
 - In the event of audits, investigations, requests for information by competent authorities aimed at verifying the compliance of the Model with the provisions of Legislative Decree 231/2001, take care of the relationship with the individuals in charge of the inspection activity, providing them with adequate information support.

The SB, for the exercise of the aforementioned powers and the effective exercise thereof, as well as for the purpose of enabling in any case the satisfaction of the priority need for the continuity of supervisory action, shall have its own expenditure provision defined annually. The use of said provision, which may be used by the SB for actions or interventions necessary for the performance of its duties, must be precisely justified.

Furthermore, on an annual basis, the SB establishes an "Activity Plan" that includes a schedule of activities to be carried out throughout the year, also allowing for unplanned verifications and controls.

6.3. Information flow to the Supervisory Body.

It is the obligation of all Recipients of this Model to inform the Supervisory body of any relevant or potentially relevant activities and any critical issues that may infer the commission of the offenses considered by Legislative Decree 231/2001.

All useful information must be addressed to the SB, including but not limited to:

- Critical issues that may be significant for the proper application of the Model, which have emerged in the performance of its activities;
- Measures and/or news coming from Judicial Police organs or any other Authority, from which it can be inferred that investigations are being carried out, even possibly against unknown persons, for the crimes referred to in the Decree, or that investigations are being carried out for any crime against exponents or employees of the School for facts related to the company's activity;
- Internal and external communications regarding any case that can be linked with hypotheses of offenses under the Decree (e.g., disciplinary measures initiated/implemented against employees);
- Requests for legal assistance made by employees against whom the Judiciary is proceeding for crimes under the Decree;
- News related to the effective implementation, at all levels of the organization, of the Model, with evidence - as part of the disciplinary proceedings carried out - of any sanctions imposed or measures to dismiss such proceedings with the relevant reasons, if they are related to the commission of any of the offenses set forth in the Decree or refer to the Sanctioning System;
- News of organizational changes implemented, where relevant;
- Updates of powers of attorney and internal assignments;
- Significant or atypical transactions in the context of which a risk hypothesis can be found in relation to any of the crimes under the Decree;
- Changes in the situations of risk or potentially at risk in relation to any of the offenses under the Decree;
- Significant violations of regulations related to accident prevention and occupational hygiene and prevention of environmental impacts.

All reports and information should be sent in writing using the following methods:

- Via *e-mail*: **odv@scuoladesign.com**;
- Hard copy letter sent by regular or registered mail addressed to: Supervisory body at Scuola Politecnica di Design - Crosscom S.r.l., Milan (MI).

The information provided to the SB is intended to facilitate and improve its control planning activities and does not impose on it a systematic and punctual verification of all the phenomena represented. It is, therefore, left to the responsibility of the SB to determine in which cases and how to take action.

6.4 Reporting crimes or irregularities within the employment relationship (so-called *Whistleblowing*)

Law 179/2017 introduced the obligation for all companies to provide within the Organizational, Management and Control Model adopted pursuant to Legislative Decree 231/01, a system that allows its workers the possibility of reporting any illegal activities of which they become aware for work reasons (so-called *whistleblowing*).

In particular, the above-mentioned Law intervened by inserting in Article 6 of Legislative Decree 231/2001, paragraph 2 bis under which the Organizational Model must provide:

- a) One or more channels that allow the persons indicated in art. 5 paragraph 1 lett. a) and b), to submit, in order to protect the integrity of the organization, detailed reports of illicit conduct relevant under this decree, based on precise and converging factual elements, or violations of the organization and management model of the entity that they have become aware of in the performance of their functions; These channels ensure the confidentiality of the whistleblower's identity in the management of the report;
- b) At least one alternative reporting channel capable of ensuring the confidentiality of the whistleblower's identity through electronic means;
- c) The prohibition of retaliatory or discriminatory acts, whether direct or indirect, against the whistleblower for reasons directly or indirectly related to the report;

- d) In the disciplinary system adopted pursuant to paragraph 2 lett. e) of the same Art. 6 Legislative Decree 231/2001, sanctions against those who violate the measures for the protection of the whistleblower, as well as those who make with malice or gross negligence reports that turn out to be unfounded.

This norm-which aims to encourage workers' cooperation in detecting possible fraud, danger or other serious risks that could harm clients, colleagues or the company's own reputation and integrity-by introducing specific protections in favor of the whistleblower, intervenes on two levels: (i) on the one hand, by requiring entities and companies to create an organizational procedure that allows those who believe they must report or denounce an offence to act without jeopardizing their position on a personal and employment level as a result of the report itself; (ii) on the other hand, by providing a system of substantive and procedural guarantees aimed at preventing forms of retaliation by the employer from arising from the report or denunciation.

In fulfillment of and in compliance with the above, the School has established special channels that guarantee the confidentiality of the authors of the reports and has identified the Supervisory body (only the external component) as the body responsible for handling such reports ("Recipient").

The channels used for the transmission of such communications are as follows:

- a) *E-mail* to the e-mail box segnalazioni@scuoladesign.com, access to which is allowed only to the Chairman of the SB, as an external member of the SB;
- b) Hard copy letter sent by regular or registered mail to the attention of the Chairman of the Supervisory body c/o the School's headquarters: P.le Lugano 19, 20158, Milan (MI).

The Chairman of the SB, upon receipt of the report, conducts an initial assessment and informs the internal member of the Body only if the report does not concern his or her function and only with the consent of the whistleblower.

The Supervisory body acts in such a way as to guarantee the authors of the reports against any form of retaliation, discrimination, penalization or any consequence resulting from them, ensuring their confidentiality regarding their identity, without prejudice, however, to legal obligations and the protection of the rights of the School or persons wrongly accused and/or in bad faith.

Confidentiality obligations cannot be opposed when the requested information

is necessary for investigations or proceedings initiated by the judicial authority as a result of the report.

It should be noted, however, employees have a duty of care and a duty of loyalty to the employer under Articles 2104 and 2105 of the Civil Code, and therefore, proper fulfillment of the employee's duty to inform cannot in itself result in the application of disciplinary sanctions.

Reports provided to the SB do not impose on the SB a systematic and punctual verification of all the phenomena represented. It is, therefore, left to the responsibility of the SB to determine in which cases and how to take action based on the relevance of the reports themselves.

To this end, it is still necessary for reports to be based on precise and concordant facts, precisely to enable the recipient of the reports to assess their relevance.

Any retaliatory conduct committed against the whistleblower or otherwise aimed at violating the whistleblower's protection measures and carried out by the governing bodies or individuals acting on behalf of the School as well as the conduct of those who make with malice or gross negligence reports that turn out to be unfounded will be sanctioned in the manner provided in Chapter 8.

Finally, it is the employer's responsibility, in the event of disputes related to the imposition of disciplinary sanctions or to demotions, dismissals, transfers or subjecting the whistleblower to other organizational measures having direct or indirect negative effects on working conditions, to prove that such measures are in no way a consequence of the report itself.

6.5. Information flows from the Supervisory body to corporate bodies and the Lombardy Region

The SB reports on the implementation of the Model, the emergence of any critical aspects, and the need for modifying actions.

The Supervisory Body sends the Board of Directors an annual written report of its activities, highlighting:

- The activities carried out throughout the year in fulfilling the assigned tasks, along with the results of its work, indicating any identified deficiencies or violations.
- The activities to be carried out in the following year (Activity Plan);

- Its expenditure management (reporting on how the financial resources constituting the SB's *budget* are used).

This report also includes, if necessary due to changing company conditions or regulatory framework, proposals for updating the Model.

Furthermore, in compliance with the applicable regulations, the Report is also sent to the Lombardy Region according to the established periodicity determined by the Region itself.

The Supervisory Body may also, depending on the specific circumstances:

- Communicate the results of its findings to the heads of the sensitive functions and/or activities, should the controls reveal aspects that could be improved;
- Report in writing any behavior or actions that are not in line with the Model and company procedures in order to allow the employer to apply disciplinary sanctions and thus prevent the recurrence of the occurrence, providing guidance for the removal of deficiencies.

Moreover, the Supervisory body may request to be heard by the BoD to report on specific cases and circumstances (e.g., significant violations of the principles contained in the Model, regulatory innovations regarding the administrative liability of organizations, significant changes in the School's organizational structure, etc.) and reports received that are of an urgent nature.

6.6. Collection and storage of information

Every piece of information held by the SB is processed in accordance with Legislative Decree 196/2003, as amended by Legislative Decree 101/2018, as well as EU Regulation No. 679/2016 (so-called GDPR).

Moreover, based on the opinion expressed on May 12, 2020 by the Italian Data Protection Authority regarding the subjective qualification for *privacy* purposes of the members of the Supervisory body, SPD - as the Data Controller (Article 24 of the GDPR) - has designated each member of the Supervisory Body as authorized to process personal data (Article 29 of the GDPR and Article 2 *quaterdecies* of Legislative Decree no. 196/2003), within the framework of the organizational measures to be implemented in accordance with the principle of *accountability*.

All information, documents and reports collected and/or produced by the SB in the performance of its institutional duties are stored by the same in a special file

and preserved, in compliance with the principles of Article 5 GDPR, for as long as necessary in relation to the purposes for which the processing was carried out and in any case for a period not exceeding ten years.

The Supervisory Body ensures that the management of the archive is properly transferred in the event of the appointment of a new Supervisory Body member.

7. THE DISCIPLINARY SYSTEM

Art. 6 paragraph 2 lett. e) and art. 7 paragraph 4 lett. b) Legislative Decree 231/2001 indicate, as a condition for the effective implementation of the Model, the introduction of a disciplinary system capable of sanctioning the failure to comply with the measures indicated in the Model itself. Therefore, the definition of an effective disciplinary system constitutes an essential prerequisite of the Model's exculpatory value with respect to the administrative liability of entities.

The sanctions provided by the disciplinary system are applied to any violation of the provisions contained in the Model, regardless of the progress and outcome of any criminal proceedings that may be initiated by the Judicial Authority if the behavior to be censured constitutes a relevant offense under Legislative Decree no. 231/2001.

The sanctions provided vary depending on the nature of the relationship between the School and the individual who violates the protocols provided in the Organizational and Management Model.

The disciplinary system outlined below also applies to those who violate protective measures adopted in relation to workers who have made reports, as well as to those who knowingly or with serious negligence make reports that are found to be entirely groundless.

7.1. Measures in respect of non-management employees

Failure to comply with the rules contained in this Model, adopted by SPD pursuant to Legislative Decree 231/2001, as well as violations of the provisions and principles set forth in the Code of Ethics constitutes a violation of the instructions issued by the Employer.

Depending on the severity of the infringement, such violations may result in the application of disciplinary measures in accordance with Article 7 of Law no. 300 of May 20, 1970 (known as the "Workers' Statute") and subsequent amendments

and additions.

For non-managerial employees, these measures are those provided for in the disciplinary regulations set out in the National Collective Labor Agreement for the Commerce sector, specifically:

- 1) Verbally inflicted reprimand for the minor offences;
- 2) Written reprimand imposed in cases of recurrence;
- 3) Fine in an amount not exceeding the amount of 4 hours' pay;
- 4) Suspension of pay and from service for up to 10 days;
- 5) Disciplinary dismissal for justified subjective reason;

By way of example, the following conduct constitutes a disciplinary offense:

- a) Culpable violation, infringement, imperfect or partial application of the prescriptions contained in the Model or the internal rules referred to therein;
- b) Negligent violation, infringement, imperfect or partial application of the prescriptions contained in the Model or of the internal procedures provided for therein (e.g. failure to comply with information obligations to the SB; failure to participate in training initiatives promoted by the School);
- c) Willful violation, infringement, circumvention, imperfect or partial application of the prescriptions contained in the Model or the internal procedures provided therein;
- d) Willful violation, infringement, circumvention, imperfect or partial application of the prescriptions contained in the Model or of the internal procedures provided in the Model with the aim of evading the controls provided by the School or, in any case, of committing an offence;
- e) Reporting of violations of the Model and the commission of the crimes provided for in Legislative Decree 231/2001 that proves to be unfounded and carried out with malice or gross negligence.

It is further clarified that, without prejudice to any other legal action, the measure in Section 5 (Disciplinary Dismissal) applies only to the following failures:

- Unexcused absence more than three days in the calendar year;
- Recurrence of unjustified tardiness beyond the fifth time in the calendar year, after formal warning in writing;
- Serious violation of the obligations under Article 233, paragraphs 1 and 2;

- Violation of legal regulations about safety for processing, storage, sale and transportation;
- Abuse of trust, competition, breach of official secrecy;
- The performance, in competition with the company's business, of work for one's own account or for third parties, outside working hours;
- Recidivism, more than the third time in the calendar year in any of the offenses that provide for suspension, subject to the provisions for recidivism in tardiness.

The Employer may not take any disciplinary action against the employee without first notifying him of the charge and hearing his defense. In any case, the application of the sanction must be justified and communicated in writing.

In any case, the Supervisory body shall receive timely information of any act concerning disciplinary proceedings against a worker for violation of this Model from the time of the disciplinary notice.

It is, however, assigned to the Supervisory body, the task of verifying and evaluating the suitability of the Disciplinary System pursuant to and for the purposes of the Decree. Provision is made for the necessary involvement of the Supervisory body in the procedure for the imposition of sanctions for violation of the Model, by means of adequate information regarding the content of the charge and the type of sanction to be imposed.

7.2 Measures concerning the self-employed workers

Failure to comply with the provisions set forth in the Model adopted by the School pursuant to Legislative Decree 231/2001, as well as violations of the provisions and principles set forth in the Code of Ethics, may result in a written report of any minor non-compliant behavior and, in more serious cases or in cases of multiple reports, termination of the relevant contract, with immediate effect, without prejudice to the right to claim compensation for damages incurred as a result of said behaviors, including damages caused by the court's application of the measures provided for in Legislative Decree 231/2001.

7.3. Measures concerning external collaborators and suppliers

In order to promote compliance by the School's external collaborators and suppliers with the principles expressed in this Model and the Code of Ethics, there is provision for the inclusion in contractual agreements of special clauses

committing such parties not to adopt acts or conduct that could lead to the commission - even in the form of an attempt - of the offenses covered by Legislative Decree 231/2001 and to adopt and implement, where necessary, appropriate procedures to prevent such violations.

The adoption of any of the above acts or behaviors will be sanctioned in accordance with the provisions of the specific contractual clauses that will be included in the relevant contracts/orders and which may provide for, but are not limited to, the right to terminate the contract and/or the payment of penalties.

This is without prejudice to any claim for compensation if concrete damage to the School results from such conduct, such as in the case of the application to the School by the judge of the measures provided for in Legislative Decree 231/2001.

7.4 Measures against Managers and Directors

Where the Supervisory body becomes aware of the violation of the provisions and rules of conduct of the Model by the Directors, it is required to promptly inform the person concerned in order to allow the latter to be heard in his or her defense.

Upon receiving such a report, it is the Board of Directors and the Sole Director, who assess the situation and take the disciplinary measures deemed most appropriate, in compliance with current regulations, up to and including, in the most serious cases, the revocation of the office.

The School's Managers are obligated to comply with the Model and ensure its observance by their subordinates. Examples of sanctionable behaviors towards them include: failure to exercise supervision over their hierarchically subordinate staff, failure to report Model violations and/or anomalies and critical issues, and violations of the Model.

In case of violations, the School shall take against the Manager the measure deemed most appropriate in accordance with applicable regulations. If the violation breaks the fiduciary relationship, the sanction is termination of employment.

In addition, without prejudice to any other action to protect the School, the Administrator and the Manager who perform direct or indirect acts of retaliation or discrimination against anyone who has made reports of violations of the Model or of the commission of the crimes provided for in Legislative Decree

231/2001 for reasons that are directly or indirectly related to the report itself are liable the former to have their mandate revoked and the latter to be dismissed.

A similar sanction is provided for a Director and Manager who makes with malice or gross negligence reports of violations of the Model or of the commission of the crimes provided for in Legislative Decree 231/2001 that turn out to be unfounded.

The Supervisory body must always be informed about any procedure for imposing sanctions for violation of the Model, and may also propose, as a specific sanction, the suspension of any powers of attorney granted to the manager himself.

8. TRAINING AND INFORMATION

The knowledge of the Model by the Recipients and training on its contents are two fundamental requirements for its proper functioning.

For this reason, the School ensures the proper dissemination of the Model's contents and principles both internally and externally within its organization.

The activities of information and training are tailored to the specific recipients but are characterized by principles of timeliness, efficiency, completeness, clarity, accessibility, and continuity.

The staff is required to: i) gain awareness of the Model's contents, and ii) understand the operational procedures to be followed in carrying out their activities.

Personnel must have access to and be able to consult the documentation comprising the Model, as well as the control protocols and related procedures. Additionally, to facilitate the understanding of the Model, staff members are required to participate in specific training activities organized by the School, according to their degree of involvement in activities identified as sensitive under the Decree.

The School consistently adopts and implements appropriate communication tools to keep the staff updated on any modifications made to the Model, as well as any significant procedural, regulatory, or organizational changes.

Participation in training programs is mandatory for all recipients and is documented and archived.

9. CRITERIA FOR UPDATING AND ADJUSTING THE MODEL

Since the Model is an "*act of issuance of the Governing Body*," in accordance with the provision of art. 6 paragraph 1 lett. a) Of the Decree, its adoption, subsequent amendments and additions are referred to the Board of Directors.

In any case, the Supervisory body may evaluate and express an opinion on proposals to update and/or revise the Model before they are actually adopted.

Also as part of the annual report, the SB may submit to the Board of Directors a report on the changes it proposes to make to the Model, so that the Board, in the exercise of its exclusive competence in the matter, may deliberate on the matter.

By way of example, the School considers updating the Model and adjusting it in relation to changes and/or additions that may become necessary as a result of:

- Changes in the internal structure of the School and/or the way business activities are carried out;
- Changes in *business* areas;
- News of attempts or commission of the crimes considered by the Model;
- News of new possible ways of committing the crimes considered by the Model;
- Regulatory changes;
- Audit findings;
- Significant violations of the requirements of the Model.

The revision activities carried out are formal, and records of these activities are maintained.