



**ORGANISATION,  
MANAGEMENT  
AND CONTROL MODEL**  
adopted pursuant to  
**Legislative Decree 231/01**  
*General section*

APPROVED BY RESOLUTION OF THE BOARD  
OF DIRECTORS ON 26 MARCH 2024

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# 1. Revision

Rev.	Date	Comment	Approval
00	17 September 2019	First issue	Board of Directors
01	26 March 2024	Second issue: adaptation to Legislative Decree 24/2023	Board of Directors

## 2. Recipients of the general section

The following are the recipients (hereinafter, Recipients) of this General Section of the Organisation, Management and Control Model (*hereinafter*, Model or Document) pursuant to Legislative Decree no. 231/2001 of TECHNICAL PUBLICATIONS SERVICE S.p.A. - in short T.P.S. S.p.A. (*hereinafter*, TPS or the Company) and undertake to comply with its contents:

- directors of the Company (considered to be *senior managers*, together with persons performing functions of representation, management of the Company or of one of its organisational units with financial and functional autonomy, as well as persons exercising, also de facto, the management and control of the Company);
- employees of the Company (so-called internal parties *subject to the direction of others*).
- By virtue of specific acceptance or by virtue of specific contractual clauses, the following external parties (*hereinafter*, External Parties) may be the recipients of specific obligations to comply with the contents of the General Section:
  - collaborators, consultants and, in general, self-employed persons
  - suppliers and *partners* (also in the form of temporary business associations, including labour supply companies and *joint ventures*) to the extent that they operate on behalf of or in the interest of the Company within the areas of activity identified as sensitive within the Organisation, Management and Control Model.

External Parties thus defined must also include those who, although they have a contractual relationship with other Group companies, in substance operate in a significant and/or continuous manner on behalf of or in the interest of the Company.

# 3. Administrative liability of companies

## 3.1 Administrative liability system applicable to legal persons, companies and associations

Legislative Decree no. 231 of 8 June 2001, which contains the "Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality" (*hereinafter*, Leg. Decree 231/2001 or Decree) - which came into force on 4 July 2001 in implementation of Article 11 of Delegated Law No. 300 of 29 September 2000 - introduced into the Italian legal system the liability of Entities for administrative offences dependent on crime.

This liability, defined as administrative, and for which the company is liable, is essentially of a criminal nature and takes shape when one of the predicate offences, i.e. one of the offences to which the Decree applies, is committed in the interest or to the advantage of the company itself; the liability of the entities is in addition to the personal liability of the perpetrator of the offence and entails the application of sanctions (pecuniary and prohibitory) to the company as an autonomous legal entity.

Since, however, a company cannot commit crimes except through the intermediary of its subjects/individuals, a principle typical of civil liability, namely organic immedesimation, can be considered applicable also under Legislative Decree 231/2001; the application of this principle - which provides for the possibility that the civil effects of the acts performed by the corporate bodies are imputed to the company itself - produces the effect that the consequences of the crime committed in the interest or to the advantage of the company (Art. 5, par. 1, Legislative Decree 231/2001) are imputed to the company itself.

Liability is attributable to the Company where the offences indicated in the Decree have been committed by persons linked to it in various capacities; a fundamental prerequisite for liability is therefore the existence of a functional link or subordination of the offender with the Company, according to the scheme represented in the chapter on Recipients of the General Section.

In particular, in the event of offences committed by a senior manager, the liability of the Company is excluded if it proves that the offence was committed by fraudulently circumventing the existing Organisation and Management Model and that there was, moreover, no or insufficient control by the Supervisory Board, which is specifically charged with supervising the proper functioning of and compliance with the Model.

If, on the other hand, the offence has been committed by a person in a subordinate position, the Company's liability is excluded if it proves that it has adopted appropriate behavioural protocols to ensure, due to the type of organisation and activity carried out, the performance of the activity in compliance with the law and has promptly eliminated risk situations.

The Company's liability does not refer generically to any offence, but is limited to the criminal offences expressly provided for in the Decree (and its amendments and additions), namely:

**A) Undue receipt of funds, fraud to the detriment of the State or a public body or for the purpose of obtaining public funds and computer fraud to the detriment of the State or a public body (Article 24 of Legislative Decree no. 231/2001) and Official Misconduct, undue inducement to give or promise benefits and bribery (Article 25 of Legislative Decree no. 231/2001, subsequently amended by Article 1, par. 77 a) of Law no. 190 of 6 November 2012 and by Law no. 69 of 27 May 2015).**

- Misappropriation to the detriment of the State (Article 316-bis of the Criminal Code);
- Undue receipt of payments by the State (Article 316-ter of the Criminal Code);
- Fraud [against the State or other public body or the European Communities] (Article 640, paragraph 2 no. 1 of the Criminal Code);
- Aggravated fraud to obtain public funds (Article 640-bis of the Criminal Code);
- Computer fraud [against the State or other public body] (Article 640-ter of the Criminal Code).
- Official Misconduct (Article 317 of the Criminal Code);
- Bribery for the performance of the function (Article 318 of the Criminal Code);
- Bribery for an act contrary to the duties of office (Article 319 of the Criminal Code);
- Aggravating circumstances (Article 319-bis of the Criminal Code);
- Bribery in judicial proceedings (Article 319-ter of the Criminal Code);
- Undue inducement to give or promise benefits (Article 319-quater of the Criminal Code);
- Bribery of a person in charge of a public service (Article 320 of the Criminal Code)
- Penalties for the corruptor (Article 321 of the Criminal Code);
- Incitement to bribery (Article 322 of the Criminal Code);
- Embezzlement, official misconduct, undue inducement to give or promise benefits, bribery and incitement to bribery of members of the International Criminal Court or organs of the European Communities and of officials of the European Communities and of foreign States (Article 322-bis of the Criminal Code);
- Trafficking in unlawful influence (Article 346a).

**B) Computer crimes and unlawful processing of data (Article 24-bis of Legislative Decree no. 231/2001, inserted by Article 7 of Law no. 48 of 18 March 2008, subsequently amended by Legislative Decree of 12 January 2016, No. 6 and by Legislative Decree 15 January 2016, No 8)**

- Computer documents Article 491-bis of the Criminal Code in relation to Articles 476-490, 492 and 493 of the Criminal Code);
- Unauthorised access to a computer or telecommunications system (Article 615-ter of the Criminal Code);
- Unauthorised possession and distribution of access codes to computer or telematic systems (Article 615-quater of the Criminal Code);
- Dissemination of computer equipment, devices or programs intended to damage or interrupt a computer or telecommunications system (Article 615-quinquies of the Criminal Code);
- Unlawful interception, obstruction or interruption of computer or telematic communications (Article 617-quater of the Criminal Code);
- Installation of equipment designed to intercept, prevent or interrupt computer or telematic communications (Article 617-quinquies of the Criminal Code);
- Damage to computer information, data and software (Article 635-bis of the Criminal Code);
- Damage to computer information, data and software used by the State or other public body or in any case of public utility (Article 635-ter of the Criminal Code);
- Damage to computer or telecommunications systems (Article 635-quater of the Criminal Code);

- Damage to computer or telecommunications systems of public utility (Article 635-quinquies of the Criminal Code);
- Computer fraud by the person providing electronic signature certification services (Article 640-quinquies of the Criminal Code).

**C) Organised crime offences (Article 24-ter of Legislative Decree no. 231/2001, inserted by Article 2 par. 29 of Law no. 94 of 15 July 2009, subsequently amended by Law no. 69 of 27 May 2015 and Law no. 236 of 11 December 2016)**

- Criminal conspiracy (Article 416 of the Criminal Code);
- Mafia-type associations, including foreign associations (Article 416-bis of the Criminal Code);
- Political-mafia electoral exchange (Article 416-ter of the Criminal Code);
- Kidnapping for the purpose of robbery or extortion (Article 630 of the Criminal Code);
- Association for the illegal trafficking of narcotic or psychotropic substances (Article 74 of Presidential Decree No. 309/1990);
- Association aimed at the unlawful manufacture, introduction into the State, offering for sale, transfer, possession and carrying in a public place or a place open to the public of weapons of war or war-like weapons or parts thereof, explosives, clandestine weapons as well as several common firing weapons, with the exception of certain categories (Art. 407, par. 2 a), number 5) of the Code of Criminal Procedure, which refers to the cases referred to in Article 2 of Law No. 110 of 18 April 1975).

**D) Forgery of money, public credit cards, revenue stamps and identification instruments or signs (Article 25-bis of Legislative Decree no. 231/2001, added by Legislative Decree no. 350, Article 6 of 25 September 2001, converted with amendments by Law no. 409 of 23 November 2001 and subsequently amended by Law no. 99 of 23 July 2009 and by Legislative Decree of 21 June 2016, No 125)**

- Counterfeiting, spending and introducing into the State, acting in concert, counterfeit money (Article 453 of the Criminal Code);
- Alteration of currency (Article 454 of the Criminal Code);
- Spending and introduction into the State, without acting in concert, of counterfeit money (Article 455 of the Criminal Code);
- Spending of counterfeit money received in good faith (Article 457 of the Criminal Code);
- Forgery of revenue stamps, introduction into the State, purchase, possession or putting into circulation of forged revenue stamps (Article 459 of the Criminal Code);
- Counterfeiting watermarked paper in use for the manufacture of public credit cards or stamps (Article 460 of the Criminal Code);
- Manufacture or possession of watermarks or instruments intended for the counterfeiting of money, revenue stamps or watermarked paper (Article 461 of the Criminal Code);
- Use of counterfeit or altered stamps (Article 464 of the Criminal Code);
- Counterfeiting, alteration or use of trademarks or distinctive signs or of patents, models and designs (Article 473 of the Criminal Code);
- Introduction into the State and trade of products with false signs (Article 474 of the Criminal Code).

**E) Crimes against industry and trade (Article 25-bis.1 of Legislative Decree No. 231/2001, added by Article 15 par. 7 b) of Law No. 99 of 23 July 2009)**

- Disturbing the freedom of industry or trade (Article 513 of the Criminal Code);
- Unlawful competition with threats or violence (Article 513-bis of the Criminal Code);
- Fraud against national industries (Article 514);
- Fraud in the exercise of trade (Article 515 of the Criminal Code);
- Sale of non-genuine foodstuffs as genuine (Article 516 of the Criminal Code);



- Sale of industrial products with false signs (Article 517 of the Criminal Code);
- Manufacture of and trade in goods made by usurping industrial property rights (Article 517-ter of the Criminal Code);
- Counterfeiting of geographical indications or designations of origin of agri-food products (Article 517-quater of the Criminal Code).

***F) Corporate Crimes (Article 25-ter of Legislative Decree no. 231/2001, added by Article 3 par. 2 of Legislative Decree no. 61/2002, subsequently amended by Articles 31 par. 2 and 39 par. 5 of Law no. 262 of 28 December 2005 and by Article 1, paragraph 77 b) of Law no. 190 of 6 November 2012 and by law no. 38 of 15 March 2017)***

- False corporate communications (Article 2621 of the Civil Code);
- Misdemeanours (Article 2621-bis of the Civil Code);
- False corporate communications by listed companies (Article 2622 of the Civil Code);
- False statement in a prospectus (Article 2623 of the Civil Code) repealed by Article 34, paragraph 2 of Law no. 262/2005;
- False statements in the reports or communications of auditing firms (Article 2624) repealed by Article 37 par. 34 of Legislative Decree no. 39/2010;
- Obstruction of control (Article 2625);
- Undue return of contributions (Article 2626 of the Civil Code);
- Illegal distribution of profits and reserves (Article 2627 of the Civil Code);
- Unlawful transactions involving shares or quotas in the company or its parent company (Article 2628 of the Civil Code);
- Transactions to the detriment of creditors (Article 2629 of the Civil Code);
- Failure to disclose a conflict of interest (Article 2629-bis of the Civil Code)
- Fictitious capital formation (Article 2632 of the Civil Code);
- Improper distribution of company assets by liquidators (Article 2633 of the Civil Code);
- Bribery among private individuals (Article 2635 of the Civil Code);
- Incitement to bribery among private individuals (Article 2635-bis);
- Unlawful influence on the Shareholders' Meeting (Article 2636 of the Civil Code);
- Market rigging (Article 2637 of the Civil Code);
- Obstructing the exercise of the functions of public supervisory authorities (Article 2638 of the Civil Code).

***G) Crimes for the purposes of terrorism or subversion of the democratic order (Article 25-quater of Legislative Decree No. 231/2001, inserted by Article 3 of Law No. 7 of 14 January 2003)***

- Subversive associations (Article 270 of the Criminal Code);
- Association for the purposes of terrorism, including international terrorism or subversion of the democratic order (Article 270-bis of the Criminal Code);
- Assistance to associates (Article 270-ter of the Criminal Code);
- Recruitment for the purposes of terrorism, including international terrorism (Article 270-quater of the Criminal Code);
- Organisation of transfers for the purposes of terrorism (Article 270-quater.1 of the Criminal Code);
- Training for the purposes of terrorism, including international terrorism (Article 270-quinquies of the Criminal Code);
- Financing of conduct for the purposes of terrorism (Article 270-quinquies.1 of the Criminal Code);
- Subtraction of seized property or money (Article 270-quinquies.2 of the Criminal Code);
- Conduct for the purposes of terrorism (Article 270-sexies of the Criminal Code);
- Attacks for terrorist or subversive purposes (Article 280 of the Criminal Code);
- Acts of terrorism with deadly or explosive devices (Article 280-bis of the Criminal Code);
- Kidnapping for the purpose of terrorism or subversion (Article 289-bis of the Criminal Code);



- Incitement to commit any of the offences provided for in Chapters 1 and 2 [Title I, Book II of the Criminal Code];
- Political conspiracy by agreement (Article 304 of the Criminal Code);
- Political conspiracy by association (Article 305 of the Criminal Code);
- Armed gangs: formation and participation (Article 306 of the Criminal Code);
- Assisting participants in conspiracies or armed gangs (Article 307 of the Criminal Code);
- Possession, hijacking and destruction of an aircraft (Art. 1 Law no. 342/1976);
- Damage to ground installations (Art.2, L.n. 342/1976);
- Sanctions (Article 3, Law No. 422/1989);
- Aware repentance (Art. 5, Legislative Decree no. 625/1979);
- Urgent measures for the protection of democratic order and public safety (Art. 1 of Decree Law 625/1979, converted with amendments into Law No. 15 of 6 February 1980)
- Article 2 of the International Convention for the Suppression of the Financing of Terrorism, New York 9 December 1999.

**H) Female genital mutilation practices (Article 25-quater.1 of Legislative Decree No. 231/2001, added by Article 8 of Law No. 7 of 9 January 2006).**

- Practices of female genital mutilation (Article 583-bis of the Criminal Code).

**I) Crimes against the individual (Article 25-quinquies of Legislative Decree no. 231/2001, added by Article 5 of Law no. 228 of 11 August 2003 and subsequently amended by Article 10 par. 1 a) and b) of Law no. 38 of 6 February 2006)**

- Reduction to or maintenance in slavery or servitude (Article 600 of the Criminal Code);
- Child prostitution (Article 600-bis of the Criminal Code);
- Child pornography (Article 600-ter of the Criminal Code);
- Possession of pornographic material (Article 600-quater of the Criminal Code);
- Virtual pornography (Article 600-quater.1 of the Criminal Code)
- Tourism initiatives aimed at the exploitation of child prostitution (Article 600-quinquies of the Criminal Code);
- Trafficking in persons (Article 601 of the Criminal Code);
- Purchase and sale of slaves (Article 602 of the Criminal Code);
- Illegal intermediation and exploitation of labour (Article 603-bis of the Criminal Code);
- Solicitation of minors (Article 609-undecies of the Criminal Code).

**J) Market abuse offences (Article 25-sexies of Legislative Decree no. 231/2001, added by Article 9 of Law no. 62 of 18 April 2005)**

- Abuse of inside information (Article 184 CFA Legislative Decree no. 58 of 24.02.1998);
- Market manipulation (Art. 185 CFA) Legislative Decree no. 58 of 24.02.1998);

**K) Offences of culpable homicide and serious or very serious culpable injuries committed in breach of the rules on health and safety at work (Article 25-septies of Legislative Decree no. 231/2001, added by Article 9 of Law no. 123 of 3 August 2007 and replaced by Article 300 of Legislative Decree no. 81/2008)**

- Manslaughter (Article 589 of the Criminal Code);
- Grievous or very grievous bodily harm (Article 590 of the Criminal Code).

**L) Offences of receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin, as well as selflaundering (Article 25-octies of Legislative Decree no. 231/2001, added by Article 63 par. 3 of Legislative Decree no. 231/2007)**

- Receiving stolen goods (Article 648 of the Criminal Code)
- Money laundering (Article 648-bis of the Criminal Code);
- Use of money, goods or benefits of unlawful origin (Article 648-ter of the Criminal Code);
- Self money laundering (Article 648-ter.1 of the Criminal Code).

**M) Copyright infringement offences (Article 25-novies of Legislative Decree no. 231/2001, added by Article 15 par. 7 c) of Law no. 99 of 23 July 2009)**

- Protection of copyright and related rights (Articles 171, 171-bis, 171-ter, 171 septies, 171 octies, L. 22 April 1941, No. 633)

**N) Inducement not to make statements or to make false statements to the judicial authorities (Article 25-decies of Legislative Decree no. 231/2001, inserted by Article 4 of Law no. 116 of 3 August 2009)**

- Inducement not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Criminal Code).

**O) Environmental offences (Article 25-undecies of Legislative Decree no. 231/2001, added by Law No. 116 of 3 August 2009, replaced by Legislative Decree 7 July 2011, No. 121 and amended by Legislative Decree No. 21/2018)**

- Environmental pollution (Article 452-bis of the Criminal Code);
- Environmental disaster (Article 452-quater of the Criminal Code);
- Culpable offences against the environment (Article 452-quinquies of the Criminal Code);
- Trafficking and abandonment of highly radioactive material (Article 452-sexies of the Criminal Code);
- Aggravating circumstances (Article 452-octies of the Criminal Code);
- Organised activities for the illegal trafficking of waste (Article 452-quaterdecies of the Criminal Code);
- Killing, destroying, capturing, taking or keeping specimens of protected wild animal or plant species (Article 727-bis of the Criminal Code);
- Destruction or deterioration of habitats within a protected site (Article 733-bis of the Criminal Code);
- Trade in specimens of species in Annex A to Article 1 Law no. 150 of 7 February 1992;
- Trade in specimens of species in Annex B and Annex C to Article 2 Law no. 150 of 7 February 1992;
- Article 3-bis of Law No. 150 of 7 February 1992;
- Prohibition of the keeping of specimens constituting a danger to public health and safety (Article 6 of Law No. 150 of 7 February 1992);
- Environmental regulations (Art. 137 Legislative Decree no. 152 of 03 April 2006);
- Unauthorised waste management activities (Art. 256 Legislative Decree no. 152 of 03 April 2006);
- Remediation of sites (Art. 257 Legislative Decree no. 152 of 03 April 2006);
- Breach of reporting obligations, keeping of mandatory registers and forms (Art. 258 Legislative Decree no. 152 of 03 April 2006);
- Illegal waste trafficking (Art. 259 Legislative Decree no. 152 of 03 April 2006);
- Organised activities for the illegal trafficking of waste (Art. 260 Legislative Decree no. 152 of 03 April 2006);
- Computerised waste traceability control system (Art. 260-bis Legislative Decree no. 152 of 03 April 2006);
- Sanctions (Art. 279 Legislative Decree no. 152 of 03 April 2006);
- Measures to protect stratospheric ozone and the environment - cessation and reduction of the use of harmful substances (Article 3 Law No 549 of 28 December 1993);
- Malicious pollution caused by ships (Art. 8 Legislative Decree of 6 November 2007, No 202 Implementation of Directive 2005/35/EC on ship-source pollution and subsequent sanctions);
- Negligent pollution caused by ships (Art. 9 D. Legislative Decree of 6 November 2007, no. 202 Implementation of Directive 2005/35/EC on ship-source pollution and consequent sanctions);
- Cessation and reduction of the use of harmful substances (Article 3 Law No 549/1993).

***P) Employment of third-country nationals whose stay is irregular (Article 25-duodecies of Legislative Decree no. 231/2001, added by Legislative Decree no. 209 of 16 July 2012, implementing Directive 2009/52/EC providing for minimum standards on sanctions and measures against employers of illegally staying third-country nationals)***

- Fixed-term and open-ended employment (Art. 22 Legislative Decree no. 286 of 25 July 1998);
- Transport of foreigners into the territory of the State (Art. 12, par. 3, par. 3-bis, par. 3-ter, Legislative Decree no. 286 of 25 July 1998);
- Aiding and abetting illegal residence in the territory of the State (Art. 12, par. 5, Legislative Decree no. 286 of 25 July 1998).

***Q) Racism and xenophobia (Article 25-terdecies of Legislative Decree no. 231/2001, added by Law No. 163 of 25 October 2017 on "Delegation to the government for the transposition of European directives and the implementation of other acts of the European Union - European Delegation Law 2016 - 2017" and amended by Legislative Decree No. 21/2018)***

- Propaganda and incitement to commit racial, ethnic and religious discrimination (Article 604 bis of the Criminal Code).

***R) Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Article 25-quaterdecies of Legislative Decree no. 231/2001, added by Article 5 of Law No. 39 of 3 May 2019)***

- In relation to the commission of the offences referred to in Articles 1 and 4 of Law No. 401 of 13 December 1989, the following monetary sanctions shall apply to the entity:
  - a) for offences, a monetary sanction of up to five hundred shares
  - b) for offences, a monetary sanction of up to two hundred and sixty shares.
- in cases of conviction for one of the offences referred to in par. 1 a) of this Article, the disqualification sanctions provided for in Article 9, par. 2 shall apply for a period of not less than one year.

***S) Tax offences (Article 25-quinquiesdecies of Legislative Decree No. 231 of 2001, which was introduced by Decree-Law no. 124 26/10/2019, converted with amendments by Law no. 157 of 19/12/2019 ("Tax Decree") and then further extended by Legislative Decree No. 75 of 14/07/2020, implementing Directive (EU) 2017/1371 on the fight against fraud affecting the financial interests of the Union by means of criminal law (known as the "PIF Directive"))***

With effect from 25 December 2019, the following offences provided for in paragraph 1 are in force:

- Fraudulent declaration by use of invoices or other documents for non-existent transactions (Article 2, par. 1 of Legislative Decree No. 74/2000);
- Fraudulent declaration using invoices or other documents for non-existent transactions (Article 2, par. 2-bis of Legislative Decree No. 74/2000);
- Fraudulent declaration by other means (Article 3 of Legislative Decree No. 74/2000);
- Issue of invoices or other documents for non-existent transactions (Article 8, par. 1 of Legislative Decree No. 74/2000);
- Issue of invoices or other documents for non-existent transactions (Article 8, par. 2-bis of Legislative Decree No. 74/2000);
- Concealment or destruction of accounting documents (Article 10 of Legislative Decree No. 74/2000);
- Fraudulent evasion of taxes (Article 11 of Legislative Decree No. 74/2000).

In addition, as from 30 July 2020, the following offences provided for in Paragraph 1-bis are relevant, if (i) committed in the context of cross-border fraudulent schemes and (ii) for the purpose of evading VAT for a total amount  $\geq$  €10,000,000 (ten million Euro):

- False declaration (Article 4 of Legislative Decree No. 74/2000);
- Omitted declaration (Article 5 of Legislative Decree No. 74/2000);
- Undue compensation (Article 10-quater of Legislative Decree No. 74/2000).

***T) Contraband (Article 25-sexiesdecies of Legislative Decree no. 231/2001, added by Article 5, par. 1 d) of Legislative Decree No. 75 of 14/07/2020, implementing EU Directive 2017/1371 (known as the "PIF Directive")***

The offences referred to in Article 25-sexiesdecies of Legislative Decree 231/2001 and governed by Presidential Decree No. 43/1973 (Customs Consolidation Act) are as follows:

- Article 282 - Smuggling in the movement of goods across land borders and customs areas;
- Article 283 - Smuggling in the movement of goods in border lakes;
- Article 284 - Smuggling in the maritime movement of goods
- Article 285 - Smuggling in the movement of goods by aircraft;
- Article 286 - Smuggling in non-customs zones;
- Article 287 - Smuggling by undue use of goods imported with customs facilities;
- Article 288 - Smuggling in customs warehouses
- Article 289 - Smuggling in cabotage and traffic;
- Article 290 - Smuggling in the export of admitted goods and restitution of duties;
- Article 291 - Smuggling on temporary import or export;
- Article 291-bis - Smuggling of foreign manufactured tobacco;
- Article 291-ter - Aggravating circumstances of the offence of smuggling foreign tobacco products;
- Article 291-quater - Criminal association for the purpose of smuggling foreign tobacco products;
- Article 292 - Other Cases of Smuggling
- Article 293 - Treating attempted crime as equivalent to completed crime;
- Article 294 - Penalty for smuggling where the object of the offence has not been established or is incomplete;
- Article 295 - Aggravating circumstances of smuggling;
- Infringements of Title VII, Chapter II, Art. 302 ff. (only if they exceed 10,000 Euro in evaded border duties.

***U) Responsibility for the protection of cultural heritage (Articles 25-septiesdecies and 25-duodecimes of Legislative Decree No. 231/2001)***

- Article 518-novies of the Criminal Code. (Violations concerning the disposal of cultural goods)
- Article 518-ter of the Criminal Code. (Misappropriation of cultural property)
- Article 518-decies of the Criminal Code. (Illegal importation of cultural goods)
- Article 518-undecies of the Criminal Code. (Illicit export or export of cultural goods)
- Article 518-duodecimes of the Criminal Code. (Destruction, dispersal, deterioration, defacement, defacement and unlawful use of cultural or landscape heritage)
- Article 518-quaterdecies of the Criminal Code (Counterfeiting of works of art)
- Article 518-bis of the Criminal Code. (Theft of cultural property)
- Article 518-quater of the Criminal Code. (Receipt of cultural goods)
- Article 518-octies of the Criminal Code. (Forgery of a private contract relating to cultural goods)
- Article 518-sexies of the Criminal Code. (Recycling of cultural goods)
- Article 518-terdecies of the Criminal Code. (Devastation and looting of cultural and landscape heritage)

**V) Transnational crime (Articles 3 and 10 of Law No. 146 of 16 March 2006) commission in the form of a transnational crime<sup>1</sup> of the following offences:**

- Criminal conspiracy (Article 416 of the Criminal Code);
- Mafia-type associations, including foreign associations (Article 416-bis of the Criminal Code);
- Criminal association for the purpose of smuggling foreign processed tobacco (Article 291-quater of Presidential Decree no. 43 of 23 January 1973);
- Association for the purpose of illicit trafficking in narcotic drugs or psychotropic substances (Article 74 of Presidential Decree no. 309 of 09 October 1990);
- Infringement of the provisions against illegal immigration (Article 12, paragraphs 3, 3-bis, 3-ter and 5, of Legislative Decree no. 286 of 25 July 1998);
- Inducement not to make statements or to make false statements to the judicial authorities (Article 377-bis of the Criminal Code);
- Aiding and abetting (Article 378 of the Criminal Code).

The Special Section of the Model contains a detailed description of the individual offences relating to cases that are potentially relevant in the corporate context and therefore worthy of specific risk analysis.

**3.2 Adoption of the organisation, management and control model as the Company's duty to prevent, as far as possible, the commission of the offences provide for by Legislative decree no. 231/2001**

The Decree excludes the Company's liability if, before the offence is committed, it has adopted - and effectively implemented - an Organisation, Management and Control Model capable of preventing the commission of offences of the kind committed.

In particular, the Company may benefit from the mechanism exempting it from liability, introduced by Legislative Decree No. 231/2001, only if it sets up an *effective and efficient* Organisational Model that meets certain requirements (Article 6, paragraph 2 of Legislative Decree No. 231/2001) and specifically:

- identify the activities within the scope of which the offences provided for in the Decree may be committed;
- provide for specific protocols aimed at planning the formation and implementation of the entity's decisions in relation to the offences to be prevented;
- identify ways of managing and spending financial resources that are suitable for preventing the commission of such offences;
- provide for information obligations vis-à-vis the body in charge of supervising the functioning of and compliance with the models;
- introduce an appropriate disciplinary system to sanction non-compliance with the measures indicated in the Model.
- The Model operates as an exemption whether the predicate offence has been committed by a senior manager or by a person subject to the direction or supervision of a senior manager.
- More specifically, if the offence is committed by persons who hold positions of representation, administration or management of the entity or of one of its organisational units with financial and functional autonomy, as well as by persons who exercise, also

<sup>1</sup>A transnational offence is punishable by a maximum term of imprisonment of no less than four years when an organised criminal group is involved, when it has been committed in more than one State, or when it has been committed in one State but a substantial part of its preparation, planning, direction or control took place in another, or when a "transnational" criminal group is involved or has substantial effects in another State.

de facto, the management and control of the same, the Decree introduces a kind of presumption of liability of the company; the aforementioned liability, in fact, is only excluded if the company proves that:

- the management body adopted and effectively implemented, before the offence was committed, a Model suitable for preventing offences of the kind committed, the principles of which can be found in the "Guidelines" prepared by Confindustria;
- suppliers, the task of supervising the operation of and compliance with the Model and ensuring that it is updated has been entrusted to a body of the entity endowed with autonomous powers of initiative and control;
- suppliers the persons committed the offence by fraudulently circumventing the Model;
- suppliers there was no or insufficient supervision by the control body with regard to the Model.

If, on the other hand, the offence is committed by persons subject to the direction or supervision of one of the above-mentioned persons, the entity is liable if the commission of the offence was made possible by the failure to comply with the obligations of direction and supervision. Such non-compliance is, in any case, excluded if the entity, before the offence was committed, adopted and effectively implemented a Model capable of preventing offences of the kind committed. The Model must provide for appropriate measures to ensure that the activity is carried out in compliance with the law and to detect and eliminate risk situations in good time.

The effective implementation of the Model requires:

- periodic verification and possible amendment thereof when significant violations of the requirements are discovered or when changes occur in the organisation or activity;
- a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

### 3.3 The Confindustria Guidelines

Organisational models, on the express indication of the delegated legislator, may be adopted on the basis of codes of conduct drawn up by representative trade associations that have been communicated to the Ministry of Justice, which, in agreement with the competent ministries, may make observations on the suitability of the models to prevent offences.

The preparation of this Model is inspired by the Guidelines for the construction of Organisation, Management and Control Models pursuant to Legislative Decree No. 231 of 2001, originally approved by Confindustria on 7 March 2002 and subsequently updated in March 2014 (and approved by the Ministry of Justice on 21 July 2014) and in June 2021, respectively.

In the definition of the Organisation, Management and Control Model, the Confindustria Guidelines not only suggest that companies use *risk assessment and risk management* processes, but also envisage the following project phases:

- identification of risks, i.e. the analysis of the company context in order to highlight in which areas of activity and in what ways the offences provided for by the Legislative Decree 231/2001 may occur;
- preparation of a control system suitable for preventing the risks of offences identified in the previous phase, through the evaluation of the control system existing within the entity and its degree of adaptation to the requirements expressed by Legislative Decree 231/2001.



The most relevant components of the preventive control system proposed by the Confindustria Guidelines are, as regards the prevention of intentional offences, the following:

- provision of ethical principles and rules of conduct set out in a Code of Ethics;
- devising a sufficiently up-to-date, formalised and clear organisational system, in particular with regard to the allocation of responsibilities, hierarchical reporting lines and the description of tasks with specific provision for control principles;
- preparation of manual and/or computerised procedures governing the performance of activities, with appropriate controls;
- assignment of authorisation and signature powers consistent with organisational and management responsibilities, providing, where appropriate, for adequate spending limits;
- setting up control systems that, taking into account all operational risks, ensure timely warning of the existence and emergence of general and/or particular critical situations:
  - information and communication to personnel, characterised by capillarity, effectiveness, authoritativeness, clarity and adequately detailed as well as periodically repeated, to which is added an adequate personnel training programme, modulated according to the levels of the recipients.

With reference, on the other hand, to culpable offences (occupational health and safety offences and most environmental offences), the most relevant components identified by Confindustria are as follows:

- the Code of Ethics, with reference to the offences considered;
- the organisational structure;
- education and training;
- communication and involvement;
- operational management;
- the security monitoring system.

The Confindustria Guidelines further specify that the control system must also comply with the following control principles:

- verification, traceability, consistency and appropriateness of every operation, transaction and action;
- separation of functions and segregation of duties (no one can manage an entire process independently);
- establishment, execution and documentation of control activities on processes and activities at risk of offences;
- provision of an adequate system of sanctions for violations of the rules and protocols specified in the Model;
- identification of a Supervisory Board whose main requirements are:
  - autonomy and independence,
  - professionalism,
  - continuity of action;
- obligation by the corporate functions, and in particular those identified as being most "at risk of offences", to provide information to the Supervisory Board, both on a structured basis (periodic reporting in implementation of the Model itself), and for the purpose of reporting any anomalies or atypicalities detected.
- provision of an adequate system of sanctions for violations of the rules and protocols specified in the Model;



# 4. Adoption of the organisational, management and control model by T.P.S. S.p.A.

## 4.1 Description of the corporate structure and areas of activity

TECHNICAL PUBLICATIONS SERVICE S.p.A. is a joint-stock company that carries out its activities in the field of technical services and professional consultancy in the industrial field, with particular reference to the aeronautical and aerospace sector.

The company was founded in 1964 and has been active in technical and engineering services for the aviation industry since its establishment. Over the years, the company has gradually expanded its panel of services, which have also been realised through the use of innovative IT platforms built over the years on the basis of specific knowledge of the sector. Having grown in recent years also thanks to targeted M&A transactions, it has acquired control of other companies that have strengthened and integrated the value chain of services offered to the aviation and automotive markets. Today, TPS is the head of a group of companies that counts among its customers leading companies in the aircraft design and manufacturing sector as well as aerospace and automotive components.

In the course of its recent growth programme, TPS acquired the "ELITE Certification" from Borsa Italiana in 2016, which attested to its management and managerial growth.

During 2017, TPS was transformed into an S.p.A. and, on 28 March 2017, was listed on the AIM ITALIA market of the Italian Stock Exchange.

Also in 2017, it was entered in the Varese Chamber of Commerce Register under No. REA VA-324791, in the section reserved for Innovative Small and Medium Enterprises.

The company carries out its activities at its offices in Gallarate, Via Lazzaretto 12/c (where it also has its registered office), Turin, Corso Tazzoli 215/12B, La Spezia, Viale San Bartolomeo 103/8 and San Benedetto del Tronto (AP), Via Val Tiberina 81.

The business areas of TPS can be summarised as follows:

- provision of technical services in support of the design and industrialisation of aeronautical and mechanical products in general, as well as technical consultancy to industry, with particular reference to the aeronautical industry, aimed at the design and industrialisation of machines, plants and parts thereof as well as the training and retraining of personnel operating in the aeronautical and mechanical sector in general;
- conception, design and construction of high-tech aircraft, plant, equipment and machinery also for the production, maintenance and use of aircraft and machinery of all kinds;
- research, experimentation, maintenance and testing services for aircraft, machines of all types, high-tech equipment and materials;

- development, also on behalf of third parties, of procedures and technical manuals, material analyses, mechanical and chemical-physical tests aimed at the definition and qualification of metallic, non-metallic and composite materials, as well as the preparation and processing of technical, technical-commercial and advertising documentation;
- performance of any activity in any way connected with scientific research applications. In particular: production of IT services; training courses in the field of electronic information processing; analysis of problems and drafting of programs (software) required for the use of electronic processors (hardware); drafting and editing of scientific/technical texts on topics that are in any case connected with scientific research, in particular texts on the structure and use of electronic processors.

The above-mentioned M&A transactions carried out in recent years resulted in the acquisition of corporate control of the following companies:

- **Air Support International S.r.l.**  
(80% owned subsidiary)  
Registered office: strada della Berlia n. 500 - 10146 Turin
- **Aviotrace Swiss SA**  
(wholly owned subsidiary)  
Registered office: via Rime n. 1 - 6850 Mendrisio (Switzerland)
- **E.M.T.B. Engineering Machinery Tooling Bolzano S.r.l.**  
(wholly owned subsidiary)  
Registered office: via Marie Curie no. 17/11 - 39100 Bolzano
- **SatizTechnical Publishing & Multimedia S.r.l.**  
Registered office: corso Enrico Tazzoli n. 215/12B - 10137 Turin  
(wholly owned subsidiary)
- **FORE S.r.l.**  
(70% owned subsidiary of Satiz Technical Publishing & Multimedia S.r.l.)  
Registered office: corso Enrico Tazzoli n. 215/12B - 10137 Torino
- **FORE Poland** (wholly owned subsidiary of Satiz Technical Publishing & Multimedia S.r.l.) Registered office: Ul. Sempołowskiej 19 - 43-300 Bielsko-Biała (Poland)
- **HB Technology S.r.l.**  
(a wholly-owned subsidiary)  
Registered office: via Lazzaretto n. 12/c - 21013 Gallarate (VA)
- **HB Aerospace Center Inc.**  
(a wholly-owned subsidiary of HB Technology S.r.l.)  
Registered office: 19046 Jenkentown - Pennsylvania (USA)
- **Omniproject Engineering S.r.l.**  
(65% owned subsidiary of Satiz Technical Publishing & Multimedia S.r.l.)  
Registered office: via Alessandro Gherardesca n. 4 - 56100 Pisa
- **S.Te.L. S.r.l.**  
(70% owned subsidiary of Satiz Technical Publishing & Multimedia S.r.l.)  
Registered office: via Spagna n. 46, loc. Guasticce - 57014 Collesalveti (LI)
- **Stemar Consulting S.r.l.**  
(70% owned subsidiary)  
Registered office: corso Enrico Tazzoli n. 215/12B - 10137 Torino

## 4.2 Organisational system

The Company's organisational system is regulated pursuant to Articles 19 to 26 of the Articles of Association.

Pursuant to Article 19, the Company is managed by a Board of Directors consisting of an odd number of members, varying between a minimum of 5 (five) and a maximum of 9 (nine), as determined by the shareholders' meeting. The directors are appointed by the shareholders' meeting, may also be non-shareholders, and hold office for three financial years or such shorter period as may be determined by the shareholders' meeting at the time of appointment. The directors are eligible for re-election.

Pursuant to Article 21 of the Articles of Association, the Board of Directors appoints its own Chairman from among its members by an absolute majority of its members, unless the office of Chairman is assigned by the Shareholders' Meeting to one of the members of the administrative body at the time of its appointment; in the same manner, one or more Vice-Chairmen and a Secretary, also permanently and also outside the Board, may also be appointed. Meetings of the Board of Directors are chaired by the Chairman or, in his/her absence, by the director designated by those present.

Pursuant to Article 22 of the Articles of Association of the Company, the Board of Directors is validly constituted with the presence of the majority of its members, and the Board of Directors validly resolves with the favourable vote of the absolute majority of those present.

Pursuant to Article 24 of the Articles of Association, the power to represent the Company vis-à-vis third parties and in court is vested in the Chairman of the Board of Directors, without certain limits, as well as, if appointed, in the Vice Chairman, within the limits established by the resolution appointing him. The same article also establishes the power to grant powers to the Managing Directors, the General Manager to directors and attorneys-in-fact, subject to the definition of the relevant limits.

Finally, pursuant to Article 26 of the Articles of Association, the Board of Statutory Auditors consists of 3 (three) standing members -appointed on the basis of lists submitted by the shareholders- and performs the functions provided for in Article 2403 of the Italian Civil Code; 2 (two) alternate auditors are also appointed.

## 4.3 System of powers of attorney and proxies

The system of powers of attorney and proxies contributes, together with the other instruments of this Model, to the prevention of the risks of offences within the scope of the identified sensitive activities.

**"Power of attorney"** shall mean the unilateral legal transaction whereby the Company grants an individual person the power to act on its behalf.

All persons who have the power to commit the Company externally are holders of the relevant power of attorney.

**"Powers of the Board of Directors"** shall mean resolutions whereby the Company's Board of Directors confers on one or more of its members the power to autonomously exercise some of the powers of the body as a whole, unequivocally determining the content, limits and any procedures for exercising them.

**"Organisational delegation"** shall mean any internal act of attribution of functions and tasks, reflected in the system of organisational communications; each internal organisational delegation specifically and unambiguously defines the powers of the delegate, specifying their limits, as well as the subject (body or individual) to whom the delegate reports hierarchically.

The structure of the proxies of the Board of Directors and of the powers of attorney in force at the Company on the date of approval of this Model, as it appears in the documents filed with the Company Registry, is fully compliant with the pursuit of the objectives of this Document.

#### 4.4 Objectives pursued with the adoption of the Model

TPS, following its listing on the stock exchange, sensitive to the need to ensure conditions of fairness, transparency and respect for legality in the conduct of business and its activities, has deemed it consistent with its corporate *policy* to proceed with the adoption and implementation of an Organization and Management Model as provided for by Legislative Decree n. 231/2001; this initiative was taken in the belief that the adoption of the aforementioned Document can really constitute a valid tool to raise awareness among all those who work in the name and on behalf of TPS, so that they follow, in the performance of their activities, correct and straightforward conduct, such as to prevent the risk of commission of the offences contemplated in the Decree.

That being said, this Model is proposed:

- to determine in the Recipients operating in the areas at risk the awareness that they may incur, in the event of violation of the precepts contained therein, an offence punishable by sanctions against TPS;
- to make the recipients aware that such forms of unlawful conduct are censured by TPS as being contrary not only to the applicable law but first and foremost to the ethical principles that the Company intends to pursue;
- to enable TPS, by virtue of periodic monitoring of risk areas and sensitive activities, to intervene promptly to prevent and/or counteract the commission of offences.

The pursuit of these objectives enables the Company to raise the awareness of all those who work in its name and on its behalf of the need to conform their conduct to principles of loyalty and fairness, also improving the *corporate governance* of TPS itself.

#### 4.5 Purposes of the Model and fundamental principles

Through this Organisation, Management and Control Model, the Company intends to pursue the following aims:

- make all those who work in the name and on behalf of the Company aware of the fact that the commission of a predicate offence in the interest of the Company gives rise not only to the application of criminal sanctions against the agent, but also to administrative sanctions against TPS, exposing it to financial and reputational prejudice;
- promoting and enhancing an ethical culture internally, with a view to compliance with the law, professional correctness, transparency, verifiability, consistency and congruity in the conduct of activities;

- ensure the correctness of the conduct of the Company and of the persons representing it, in full compliance with external and internal regulations;
- informing the recipients of the Model of the need for the Company to constantly comply with the adopted document;
- strengthen control, monitoring and sanctioning mechanisms to counter the commission of offences.

In view of the fact that the purpose of this Model is the construction of a structured and organised system of procedures as well as control activities, aimed at preventing the risk of commission of offences from which the Company may derive liability under Legislative Decree 231/01, TPS, specifically:

- identifies the company areas and activities in the context of which there is a risk of the offences referred to in the Decree being committed;
- defines rules and procedures aimed at planning the formation and implementation of the Company's decisions in relation to the risks/offences to be prevented by means of:
  - a system of specific protocols governing in detail the methods for taking and implementing corporate decisions at risk of offence, in compliance with the principle of separation of functions, and guaranteeing the documentation and/or verification of each related operation;
  - an adequate system of proxies and powers to ensure a clear and transparent representation of the company's decision-making and implementation process;
  - a Code of Ethics and Conduct with the relevant sanctions system;
- assigns to the Supervisory Board specific tasks of monitoring the effectiveness and proper functioning of the Model, its periodic updating and its dissemination;
- provides for specific information obligations vis-à-vis the Supervisory Board on the part of all persons working in the Company.

The key moments of the Model are therefore:

- mapping of the Company's activities at risk, i.e. those activities within the scope of which the offences provided for in the Decree may be committed;
- provision of adequate control mechanisms to prevent the commission of the offences provided for in the Decree;
- ex-post verification of the company's conduct, as well as of the functioning of the Model with consequent periodic updates;
- dissemination and involvement of all company levels in the implementation of the established rules of conduct and procedures;
- assignment to the Supervisory Board of specific tasks to monitor the effective and proper functioning of the Model;
- creation of a Code of Ethics.

In particular, with reference to the so-called *sensitive* areas of activity, the Company has identified the following cardinal principles of its Model, which, by regulating these activities, represent the tools aimed at planning the formation and implementation of the Company's decisions and guaranteeing appropriate control over them, also in relation to the offences to be prevented:

- **Existence of formalised procedures:** existence of company provisions providing principles of conduct, operating methods for carrying out sensitive activities, as well as methods for archiving relevant documentation.

- **Clarity and simplicity of tasks and responsibilities:** the tasks and responsibilities of all those involved in the company's processes, as well as the activities and related controls, must be clearly defined and must provide mechanisms that are easy to understand and apply;
- **Ex-post traceability and verifiability of transactions** by means of adequate documentary and IT support and objectivisation of choices: for each operation there must be adequate documentary support on which controls can be carried out to certify the characteristics and motivations of the operation and identify who authorised, carried out, recorded, verified the operation itself and, in any case, the cases and methods for the deletion or destruction of records made are regulated in detail.
- **Segregation of duties:** the system must ensure the application of the principle of segregation of duties, whereby authorisation to carry out a transaction must be under the responsibility of a person other than the person carrying out or controlling the transaction. In this context, it is stipulated that:
  - i) powers and responsibilities are defined and known within the organisation;
  - ii) powers of authorisation and signature are consistent with the organisational responsibilities assigned.
- **Existence of a system of powers consistent with the organisational responsibilities assigned:** the authorisation and signature powers assigned must be:
  - i) consistent with assigned organisational and management responsibilities;
  - ii) clearly defined and known within the Company. The corporate roles to which the power to commit the Company to certain expenses is assigned are defined, specifying the limits and nature of the expenses.

The principles described above appear to be consistent with the indications provided by the Guidelines issued by Confindustria and are considered by the Company to be reasonably suitable for preventing the offences referred to in the Decree. For this reason, the Company considers it essential to ensure the correct and concrete application of the above-mentioned control principles in all the areas of so-called *sensitive* company activities identified and described in the Special Section of this Model.

#### 4.6 Methodology followed in preparing the Model

Risk Mapping and Risk Assessment activities were carried out by examining company documentation, as well as by conducting interviews with the various company functions.

At the end of this work, an analysis of corporate governance was carried out, and a detailed and complete list of "crime-risk activities" was defined, i.e. those sectors of the Company and/or corporate processes with respect to which, in consideration of the results of the mapping, the risk of committing a certain type of offence was deemed to exist in abstract terms among those that, according to the Decree, give rise to the Company's liability.

Also identified were the so-called "instrumental areas", i.e. the areas that manage financial instruments and/or substitute means that may support the commission of offences in the areas at risk of offences.

In other words, activities at risk also include those which, although not directly qualifying as such according to the aforementioned criteria, could nevertheless be

instrumental in the commission of offences. In particular, instrumental activities are those activities in which the de facto conditions that make it possible for offences to be committed in the areas directly responsible for the performance of the activities specifically referred to by the offences (e.g. personnel selection and recruitment, incentive system, consultancy and professional services, acquisition of goods and services, etc.) can take place.

Within each risk area, the so-called "sensitive activities", i.e. those activities related to the risk of offences being committed and the company Departments and Roles involved. For each of the "sensitive activities", therefore, what may in abstract terms be considered some of the ways in which the offences under consideration may be committed have been identified. This took into account the types of offences and the ways in which such offences were committed (allegedly) in recent judicial investigations.

The final identification of areas potentially at risk was therefore carried out on the basis of the joint and cross examination of the results of the self-analysis carried out by the corporate structures and the analysis of the organisational structure. The result of this work has been summarised in the Special Section of the Model.

A survey and analysis of the company's controls was also carried out, verifying the Organisational System, the System for the Assignment of Powers of Attorney and Delegations, the Management Control System, as well as the apparatus of existing procedures considered relevant for the purposes of the analysis.

In particular, the analysis highlighted the following components of the preventive control system:

- Organisational system ⇒ the verification of the adequacy of the organisational system was assessed on the basis of the formalisation of the system, the clear definition of the responsibilities assigned and the lines of hierarchical dependence, the existence of the juxtaposition of functions, the conformity between the activities actually carried out and the missions and responsibilities set out in the Company's organisational chart implemented and revised following the recent corporate changes and the findings that emerged during the drafting of the Model;
- Protocols and operating procedures ⇒ attention was paid to verifying the existence of formalised protocols and operating procedures to regulate the activities carried out by the structures in the areas at risk, taking into account not only the negotiation phases, but also the phases of instruction and formation of corporate decisions. The reconstruction of the company's operational practice was also taken into account in order to identify procedural steps and control points to be included and/or improved;
- Authorisation system ⇒ the analysis concerned the existence of authorisation and signature powers consistent with the organisational and management responsibilities assigned and/or concretely performed. The investigation was carried out on the basis of an examination of the powers of attorney issued and internal management delegations;
- Disciplinary system ⇒ the analyses carried out were aimed at verifying the adequacy of the disciplinary system, aimed at sanctioning the violation of the principles and provisions aimed at preventing the commission of offences, both by Company employees and by Directors and external collaborators.
- Code of Ethics ⇒ in this context, the Company has deemed it appropriate to draw up a Company Code of Ethics containing the general principles and rules



of conduct with which it recognises a positive ethical value and with which all the recipients of the Model must comply in order to reduce the risk of commission of the offences referred to in Legislative Decree no. 231/2001.

- The Articles of Association of the Supervisory Board ⇒ in this context, the Company's Board of Directors established the Supervisory Board, which has been assigned the powers and responsibilities necessary to perform the activities entrusted to it by the Decree. In order to make the activities of the Supervisory Board functional, effective and adequate with respect to compliance with the Model, the Articles of Association of the Supervisory Board were drafted, which regulate its functions and powers, the subjective requirements of its members, their term of office and the criteria for their appointment and revocation, and the procedures for exercising the functions assigned.
- Communication to and training of personnel ⇒ the checks were aimed at ascertaining the existence of forms of communication and training for personnel and recipients of the Model. In view of the need for initiatives aimed at implementing the Decree, a plan has been scheduled for the communication of the Code of Ethics and the Model and the consequent targeted training of personnel both in general and in particular of those operating in the identified risk areas.

On the basis of these criteria, both with reference to the preventive control system, and with reference to the other elements of the control system (operating protocols and procedures, Code of Ethics, Disciplinary System, Articles of Association of the Supervisory Board, Communication and staff training), actions were started to define the Organisation, Management and Control Model and its annexed documents.

From a practical point of view, as regards the management of the risk of offences being committed relating to the "sensitive" activities considered during the risk assessment, it was assumed that different tools would be used depending on the intensity of the risk detected; in particular, as a general principle, with some exceptions, in the event that the sensitive activities associated with a family of offences present high risk profiles, the prevention of offences belonging to that family would be ensured by means of specific control protocols included within the Special Section to be associated with the general principles of conduct, as well as by means of the ethical principles of conduct expressly associated with that family within the Code of Ethics.

If, on the other hand, the sensitive activities related to a family of offences have low and/or medium risk profiles, for the purposes of preventing the commission of offences belonging to the families under consideration, it is considered sufficient to ensure compliance with the ethical principles of conduct expressly associated with these families within the Code of Ethics and the general principles of conduct, provided for within the dedicated Special Section.

In all cases in which, upon preliminary analysis, it was deemed that none of the offences belonging to one of the families covered by Legislative Decree no. 231/2001, even if abstractly conceivable, was in any case irrelevant in relation to the activity carried out by the Company, it is considered exhaustive to refer to the principles contained in this General Section of the Model and in the Code of Ethics, which bind the Recipients of the Model to respect the values of integrity, transparency, legality, impartiality and prudence, in addition to the ethical principles of conduct expressly associated with this family within the Code of Ethics.

The result of the above assessments is contained in the document known as risk

assessment, a document which, while constituting an integral and essential part of this Model, due to the fact that it contains sensitive information on the Company's internal organisational data and processes, remains segregated from the Recipients and is only available, with justification, to the competent Bodies and/or Authorities, during information, audits, inspections, etc.

#### **4.7 Structure of the model: general section and special sections according to the different offence hypotheses.**

This Model consists of, respectively:

- General Section;
- Special Section;
- Code of Ethics;
- Procedure for raising concerns on possible wrongdoing (whistleblowing).

In addition to these documents, the document called "Risk Assessment" also constitutes an essential part of the Model, which, as just mentioned above, due to the fact that it contains sensitive information on the Company's internal organisational data and processes, remains segregated from the Recipients and is only available, with justification, to the competent Bodies and/or Authorities, during information, audits, inspections, etc.

In the General Section, after a brief but necessary illustration of the rationale and principles of the Decree, as well as a concise reconnaissance of the provisions set forth in the "Articles of Association of the Supervisory Board" dedicated to the regulation of the Supervisory Board, the following elements that make up the Company's Model are summarised:

- governance model and organisational system;
- internal control system;
- authorisation system of powers of attorney and proxies;
- protocols, policies and procedures;
- 231 control protocols;
- Disciplinary System;
- Articles of Association of the Supervisory Board;
- communication of the Model to staff and training on its contents.

The Special Section contains the mapping of the areas at risk of offences and is in turn composed of the following parts:

- A. Special Section A - OFFENCES IN RELATIONS WITH THE PUBLIC ADMINISTRATION (Articles 24 and 25 of Legislative Decree no. 231/2001)
- B. Special Section B - COMPUTER CRIMES AND ILLICIT DATA PROCESSING; CRIMES RELATING TO INFRINGEMENT OF COPYRIGHT (Article 24-bis and Article 25-nonies of Legislative Decree no. 231/2001)
- C. Special Section C - CRIMES OF COUNTERFEITING, OFFENCES OF RECEIPT, USE OF MONEY, GOODS OR USE OF ILLEGAL PROVENANCE (articles 25 bis and 25 octies of Legislative Decree no. 231/2001)
- D. Special Section D - CORPORATE OFFENCES; MARKET ABUSE (art. 25 ter and art. 25 sexies of Legislative Decree 231/2001)
- E. Special Section E - TAX OFFENCES (Art. 25 quinquiesdecies of Legislative Decree no. 231/2001)

F. Special Section F - OFFENCES RELATING TO HEALTH AND SAFETY AT WORK (art. 25 septies Legislative Decree no. 231/2001)

G. Special Section G - OFFENCES OF INDUCEMENT NOT TO MAKE STATEMENTS OR TO MAKE FALSE STATEMENTS TO THE JUDICIAL AUTHORITY (Article 25-decies of Legislative Decree no. 231/2001)

H. Special Section H - OFFENCE OF EMPLOYMENT OF IRREGULAR WORKERS FROM THIRD COUNTRIES (Article 25 duodecies of Legislative Decree no. 231/2001)

For the other offences provided for by the Decree, as a cause of liability - and not considered by the Special Section of this Model - the Company considers that the set of principles of conduct indicated in the Code of Ethics and the principles and rules of Corporate Governance inferable from the Company's Articles of Association may constitute an effective prevention system.

The Supervisory Board and the corporate bodies, are required to monitor the company's activities and to supervise the adequacy of the Model, also identifying any new prevention requirements, which require updating of the Model

This Model, without prejudice to its specific purpose, is part of the broader control system consisting mainly of the corporate governance rules and the internal control system in place in the company.

By way of example, the specific instruments already existing and aimed at planning the formation and implementation of the Company's decisions also in relation to the offences to be prevented are the following:

- Code of Ethics;
- Regulations;
- Procedures.

The principles, rules and procedures set out in the instruments listed above are not set out in detail in this Model, but form part of the broader system of organisation and control that it is intended to integrate.

These instruments are susceptible to autonomous amendments and additions, in full consistency with their own purposes and in accordance with the authorisation and adoption rules provided for the individual instruments, without this determining the automatic modification of the Model.

#### **4.8 Relationship between the model and the Code of Ethics**

The principles and rules of conduct contained in this Model are integrated with those expressed in the Code of Ethics adopted by the Company, although the Model has a different scope from the Code itself, due to the purposes it intends to pursue in implementing the provisions of the Decree.

Precisely with reference to the Code of Ethics, it should be noted that the conduct of directors, managers, employees, as well as so-called external parties must comply with the general values and ethical principles of conduct as set out in the "Code of Ethics" (*hereinafter, the Code*) duly drawn up pursuant to Legislative Decree no. 231/2001, first adopted by the Company by resolution of the Board of Directors on 17 September 2019 and recently approved with amendments by the Board of Directors on 26 March 2024.

This Code has been drawn up in order to translate ethical values into principles of

conduct, which the Recipients of the Code are required to follow in the conduct of their business and their activities, also in relation to conduct that may constitute the types of offences envisaged by Legislative Decree No. 231/2001.

Precisely in consideration of this purpose, the Code of Ethics encompasses and institutionalises values aimed at grasping and guaranteeing company-wide compliance with the overall spirit of Legislative Decree no. 231/2001, and therefore ethical principles of conduct expressly associated with the families of offences whose risk of commission is not considered relevant in consideration of *risk assessment* activities will also be found within it.

In this respect, it should be pointed out that:

- the Code represents an instrument adopted autonomously and susceptible of general application by the Company in order to express a series of principles of corporate ethics that the Company recognises as its own and on which it intends to call for the observance of all its employees and of all those who cooperate in the pursuit of the Company's aims;
- the Model, on the other hand, responds to specific prescriptions contained in the Decree, aimed at preventing the commission of particular types of offences for acts that, committed apparently in the interest or to the advantage of the company, may entail administrative liability under the provisions of the Decree.

However, in view of the fact that the Code recalls principles of conduct that are also suitable for preventing the unlawful conduct referred to in the Decree, it acquires relevance for the purposes of the Model and therefore formally constitutes an integral component of it.

#### **4.9 Adoption of the model and changes to it**

The Organisational Model - in accordance with the provisions of Article 6, paragraph 1 a) of the Decree - is a document issued by the management body.

On 17 September 2019, the Board of Directors (*hereinafter*, BoD) approved the adoption of the Model in its first draft. The model was drafted by paying particular attention to the legislation updated at the date of approval and by developing, at the same time, principles of conduct and protocols suitable for preventing the perpetration of the predicate offences referred to in the Decree.

The Board of Directors or the Chief Executive Officer, upon specific assignment by the Board itself, at the proposal of the Supervisory Board, shall make any subsequent amendments and additions to the Model, in order to ensure its continued compliance with the provisions of the Decree and any changes in the structure of the Company.

Any changes - which may occur after the adoption of the Organisation, Management and Control Model - in relation to the proxies of the Board of Directors and the powers of attorney do not constitute an amendment or addition to the Document itself, formally representing a mere amendment to the Annex to this Model; in such cases, any necessary amendments to the Model shall be proposed by the Supervisory Board, following the assessment of incompatibility profiles, if any.

The Board of Directors is responsible for the implementation of the Model in the Company.

Supervision of the adequacy and implementation of the Model approved by the Board of Directors is, on the other hand, ensured by the Supervisory Board, which periodically reports the outcome of its work to the Board of Directors.

# 5. Articles of Association of the Supervisory Board

Pursuant to the provisions of Legislative Decree No. 231/2001, Article 6, par. 1 b) provides, with reference to the actions of *senior managers*, that *"the task of supervising the functioning of and compliance with the models and ensuring that they are updated<sup>2</sup>"* must be entrusted *"to a body of the entity endowed with autonomous powers of initiative and control<sup>3</sup>"*.

Moreover, although there is no express legislative reference, with reference to the actions of persons *subject to the direction of others*, for the purposes of the effective implementation of the model adopted, Article 7, par. 4 a) *requires a periodical check and possible amendment thereof when significant breaches of the provisions are discovered or when changes occur in the organisation or activity*, an activity that is typically the responsibility of the Supervisory Board.

## 5.1 Process of appointment and dismissal of the Supervisory Board

The Supervisory Board (*hereinafter*, SB) is appointed by the Board of Directors of the Company, with a reasoned decision with respect to the structure and type of the body or function vested with the role of Supervisory Board, the criteria adopted when identifying the members - or the individual in the case of a monocratic body - as well as the reasons that led to making that choice and appointing the individual members of the Supervisory Board.

In the single-member composition, the member of the Supervisory Board at the time of appointment and throughout the term of office shall be guaranteed a position of independence.

Situations of incompatibility with the role of member of the Supervisory Board are those in which a person:

- has, directly or indirectly, professional and economic relations, except for the employment relationship and except for professional relations as a control body, and/or ancillary to the activity of the Supervisory Board and of support to the Board, with the Company or with the executive directors of such relevance as to condition the autonomy of judgement, also in consideration of a careful assessment of the subjective patrimonial condition of the natural person in question;
- is a close relative of executive directors of the Company or of persons in the situations indicated in the preceding points;

<sup>2</sup> It is the duty of the Supervisory Board to notify the Company's administrative body of the need to update the Model.

<sup>3</sup> The Explanatory Report of Legislative Decree No. 231/2001 states, in this regard: "The entity (...) shall also supervise the actual operation of the models, and thus their compliance: for this purpose, in order to ensure the maximum effectiveness of the system, it is provided that the company shall make use of a structure that must be set up internally (in order to avoid easy manoeuvres aimed at pre-establishing a licence of legitimacy for the company's actions through recourse to compliant bodies, and above all to establish a real fault of the entity), endowed with autonomous powers and specifically assigned to these tasks (...) of particular importance is the provision of a duty to provide information to the aforementioned internal control body, in order to guarantee its own operational capacity (...)".

- is disqualified, incapacitated or declared bankrupt;
- is convicted by an irrevocable judgment pursuant to Article 648 of the Code of Criminal Procedure:
  - for facts related to the performance of their duties;
  - for facts significantly affecting its professional morality; or for facts leading to disqualification from public office, from the executive offices of companies and legal persons, from a profession or an art, as well as the inability to contract with the Public Administration;
  - in any event for having committed one of the predicate offences referred to in Legislative Decree No. 231/2001;
- is subject to criminal proceedings; in particular, in order to protect the essential requirements of the Supervisory Board, from the time it receives the notification of inclusion among the persons under investigation in the register of criminal offences pursuant to Article 335 of the Code of Criminal Procedure and until a judgement of non-prosecution is passed pursuant to Article 425 of the Code of Criminal Procedure or if prosecuted, until a judgment of acquittal is handed down pursuant to Articles 529 and 530 of the Code of Criminal Procedure; this cause of incompatibility applies exclusively to criminal proceedings for offences referred to in the preceding point.

The appointment must provide for the duration of the office, which is for a fixed term and normally lasts two years from the date of appointment, irrespective of the term of office of the Board of Directors that made it.

The appointment must also provide for remuneration for the office, except in the case of appointments of employees or heads of functions for which supervision of the adequacy and actual functioning of the internal control system is a predominant part of their duties, the Model adopted being, according to the most authoritative doctrine, an integral part of the internal control system.

The member of the Supervisory Board ceases to be a member of the Supervisory Board due to expiry of his term, resignation, supervening incapacity, death or revocation.

The revocation of the Supervisory Board is not expressly governed either by the Decree or by other regulatory provisions; however, it is considered that the revocation of the Board and of each of its members is the exclusive responsibility of the administrative body - followed by immediate notification to the Board of Auditors - in the following cases:

- in the event of repeated failure to perform duties, or unjustified inactivity;
- in the event of breach of the duty of confidentiality in force with regard to data and information known as a result of the role exercised;
- in the event of the imposition of disqualification sanctions on the Company, due to the inactivity of the members;
- when violations of the Model by the obliged parties are detected and there is a failure to report such violations and to verify the suitability and effective implementation of the Model in order to propose possible amendments;
- if any of the above causes of incompatibility arise after appointment.

The member of the Supervisory Board is free to resign from the office at any time by submitting a voluntary resignation; however, the resignation must be in writing, must be recorded in the corporate documents, must be motivated and must be given with sufficient notice so as not to cause damage to the Company.

The notice of resignation shall be addressed by any means permitting certainty of receipt to the administrative body.

In the event of resignation, supervening incapacity, death or revocation of the member of the Supervisory Board, the Chairman of the Board of Directors shall promptly notify the Board of Directors, in order to take the appropriate decisions without delay.

## 5.2 Essential requirements of the Supervisory Board

In view of the specific nature of the tasks entrusted to it, the provisions of the Decree and the indications contained in the Guidelines issued by Confindustria, the choice of the internal body endowed with autonomous powers of initiative and control was made in such a way as to ensure that the Supervisory Board meets the following requirements:

### Autonomy

The "autonomous powers of initiative and control" mentioned in the provision must be understood as freedom of action and self-determination.

To meet these requirements, the SB:

- is placed as a *staff* unit within the corporate structure;
- is exempted from operational tasks that would compromise his objectivity of judgement;
- performs its function in the absence of any form of interference and conditioning on the part of the Company and, in particular, its *management* ;
- to guarantee its autonomy, it can determine its own rules of conduct and procedures within the scope of the powers and functions determined by the Board of Directors.

### Independence and honour

The requirement of independence, although not expressly referred to in the Legislative Decree 231/2001, is commonly included among those required of the Supervisory Board as it identifies the necessary condition of absence of conflict of interest and independence towards the Company and, therefore, its *management*.

In any case, the provisions of Article 2399 of the Italian Civil Code concerning the Board of Statutory Auditors are deemed applicable to the Supervisory Board. In contrast, this rule expresses the requirement of independence by establishing certain grounds for ineligibility, which can be summarised as follows:

- a lack of capacity on by the auditor (sub-paragraph a):
- family relationships with directors (sub-paragraph b):
- employment relationships with the Company unrelated to the assignment in question (sub-paragraph c).

Sub-paragraph b) of the rule in question provides for the ineligibility of the auditor who is the spouse and/or relative or similar (within the fourth degree) of the director of the Company and of any other group companies. On the other hand, kinship or affinity with the general manager and/or an attorney of the Company does not constitute grounds for ineligibility or disqualification, although such a situation should be reported and adequately assessed.

The cases referred to in sub-paragraph c), since they do not derive from objective



criteria, are more difficult to determine and must be assessed on a case-by-case basis. In fact, those who are linked to the Company or other group companies by an employment relationship or a continuous consultancy or paid work relationship, *"or by other relationships of a financial nature that compromise their independence"*, cannot be auditors. From the effective independence of the Supervisory Board derives its ability to adopt choices that cannot be objectively reviewed.

In addition to the prerogatives of independence, it is considered that the members of the SB must possess additional requirements of honourability, which can be deduced from the civil law regulations relating to directors of the Joint Stock Company, in the same way as these persons, *"a person who is disqualified, incapacitated, bankrupt, or who has been sentenced to a punishment that includes disqualification, even temporary, from holding public office or the inability to exercise executive offices"* cannot be elected to the SB, and if elected, shall be disqualified (Article 2382 of the Civil Code, referred to in Article 2399 para. 1 a).

### **Professionalism**

The Supervisory Board is professionally capable and reliable.

The technical and professional skills appropriate to the functions it is called upon to perform must therefore be ensured; legal, accounting and organisational skills are required.

In particular, specific skills in inspection and consultancy activities must be ensured, such as skills in statistical sampling, risk analysis and assessment techniques, interviewing and questionnaire design techniques, and fraud detection methodologies.

These characteristics combined with independence guarantee objectivity of judgement.

### **Continuity of action**

In order to properly perform the function assigned to it, the Supervisory Board must constantly monitor the Model. Therefore, the expression *"continuity of action"* is intended to emphasise the need for supervision of the Model not to be discontinuous but, on the contrary, to be carried out with such frequency as to enable the Supervisory Board to detect any anomalous situations in real time. In particular, in order to ensure the effectiveness of the model, the Supervisory Board must constantly monitor the consistency between the conduct envisaged in the model and the activities actually carried out by its recipients, performing its duties in a systematic manner.

## **5.3 Organisational Location of the Supervisory Board**

Article 6 of Legislative Decree No. 231/2001 requires the Body to be internal to the Company as well as part of the organisational chart. It is only in this way that the Supervisory Board can be aware of the Company's affairs and can carry out the necessary coordination with the other corporate bodies. Likewise, only the inherent nature of the Supervisory Board can guarantee the necessary continuity of action.

The Supervisory Board is a *staff function* of the Board of Directors, and is appointed by it. In order to further guarantee the requirement of independence, the Supervisory Board has reporting obligations towards the Board of Auditors, as well as, ultimately, towards the Shareholders' Meeting.

In addition, constant information flows between the Supervisory Board and the Board of Directors are ensured by virtue of their inherent position within the Company.

In particular, the Supervisory Board ensures that the competent corporate bodies are informed so that they can adopt the consequent resolutions and actions necessary to guarantee the effective and constant adequacy and concrete implementation of the Model.

For this purpose, the Supervisory Board must submit to the Board of Directors:

- a) at the beginning of each financial year:** the plan of activities it intends to carry out in order to fulfil its tasks;
- b) annually:** the state of progress of the defined programme, any changes made to the plan, critical issues that have emerged both in terms of conduct or events within the Company and in terms of the effectiveness of the Model;
- c) immediately or within a reasonable time frame:** any significant issues arising from the activities;
- d) report, at least annually,** on the implementation of the Model and the Code of Ethics by TPS.

The Supervisory Board - without prejudice to compliance with any relevant rules - may also communicate, on a case-by-case basis:

- a)** the results of its investigations to the heads of the functions and/or processes, if the activities give rise to aspects requiring improvement. In this case, it will be necessary for the Supervisory Board to obtain from the persons in charge of the processes an action plan, with a timetable, for the activities susceptible to improvement, as well as the specifications of the operational changes necessary to achieve implementation;
- b)** report any conduct/actions not in line with the Model and the Code of Ethics and with company procedures, in order to acquire all the elements to make any communications for the evaluation and application of disciplinary sanctions.

The activities indicated in section b) above must be communicated by the Supervisory Board to the Board of Directors as soon as possible, requesting, where necessary, the support of the other corporate structures.

The minutes and/or the relevant documentation shall be kept by the Supervisory Board and may be made available to persons outside the Supervisory Board subject to the authorisation of the Supervisory Board and in compliance with any relevant rules.

#### **5.4 Identification of the Supervisory Board**

Applying all the aforementioned principles to the Company's business reality and in view of the specific nature of the tasks falling to the Supervisory Board, it was decided to opt for a **single-member body**, with the appointment of a member from outside the Company.

In view of the specific nature of the Company's activities and in relation to the areas assessed as *sensitive* following the *risk assessment*, it is deemed appropriate that said external member, in addition to having organisational and/or legal and/or administrative-accounting skills, should have adequate knowledge of the

regulations in force concerning the administrative liability of entities pursuant to Legislative Decree no. 231/2001, as well as being an expert in the law of publicly controlled companies.

The tasks that may be delegated externally by the Supervisory Board are those relating to the performance of all activities of a technical nature, without prejudice to the obligation of the external party that may be used in support, to report to the Company's Supervisory Board. It is clear, in fact, that the granting of this type of delegation does not diminish the responsibility of the Body with regard to the supervisory function conferred upon it by law.

The aforementioned composition is recognised as adequate to ensure that the Supervisory Board possesses the prescribed requirements of autonomy of intervention and continuity of action.

## 5.5 Functions of the Supervisory Board

The Supervisory Board performs the tasks provided for in Articles 6 and 7 of Legislative Decree No. 231/01, namely:

### Supervisory and control activities

The primary function of the Supervisory Board relates to the ongoing supervision of the functionality of the adopted Model.

The Supervisory Board must supervise:

- compliance with the provisions of the Model by the Recipients in relation to the different types of offences covered by the Legislative Decree;
- on the actual effectiveness of the Model in relation to the corporate structure and its actual capacity to prevent the commission of the offences referred to in the Legislative Decree.

In order to adequately perform this important function, the Supervisory Board must carry out a periodic check of the individual areas of activity assessed as *sensitive*, verifying the actual adoption and correct application of the protocols, the preparation and regular maintenance of any documentation provided for in the protocols themselves, and overall the efficiency and functionality of the measures and precautions adopted in the Model with respect to preventing and impeding the commission of the offences provided for by Legislative Decree no. 231/01.

In particular, the Supervisory Board has the task to:

- verify the effective adoption and correct application of the control protocols provided for by the Model. It is noted, however, that control activities are the primary responsibility of operational *management* and are considered an integral part of every business process ("line control"), hence the importance of a staff training process.
- Carry out periodic targeted checks on specific transactions or acts performed, in particular, in the context of sensitive activities, the results of which will be summarised in a special report, the contents of which will be set out in communications to corporate bodies, as described below;
- collect, process and store information relevant to compliance with the Model;
- monitor initiatives to disseminate knowledge and understanding of the Model.

## **Monitoring activities with reference to the implementation of the Code of Ethics**

The Supervisory Board monitors the application of and compliance with the Code of Ethics adopted by the Company's Board of Directors.

The Supervisory Board monitors the dissemination, understanding and implementation of the Code of Ethics.

The Supervisory Board proposes to the Board of Directors any need to update the Code.

## **Model adaptation and updating activities**

The Supervisory Board plays an important role of a propulsive, propositional and constructive criticism nature, since it assesses and technically determines the changes to be made to the Model, formulating appropriate proposals to the Board of Directors, which may become necessary as a result of:

- significant violations of the requirements of the adopted Model;
- significant changes in the internal structure of the Company, or in the method in which the business activities are carried out;
- significant changes to the Company's system of delegated and proxy powers that entail profiles of incompatibility with the organisational structure outlined in the Organisational Model;
- regulatory changes, *primarily* as a result of legislative integration of the *numerus clausus* of predicate offences.

In particular, the Supervisory Board has the task to:

- conduct reconnaissance of the company's activities for the purpose of updating the mapping of sensitive activities;
- coordinate with the delegated manager for training programmes for staff and co-workers;
- interpret the relevant legislation on predicate offences, as well as any Guidelines that may have been drawn up, also as an update to the existing ones, and verify the adequacy of the internal control system in relation to the regulatory requirements or to the Guidelines;
- verify the need to update the Model.

## **Reporting to corporate bodies**

It is necessary that the Supervisory Board constantly reports with the Board of Directors; likewise, it is necessary that regular communication be ensured with the Board of Auditors.

The Supervisory Board reports to the Board of Directors:

- when necessary, on the formulation of proposals for any updates and adjustments to the adopted Model, to be implemented by means of any amendments and additions that may be necessary;
- immediately, with regard to ascertained violations of the adopted Model or to the ascertained commission of other offences relevant to the Company as regulated by the Legislative Decree 24/2023, in cases where such violations may result in liability for the Company, so that appropriate measures may be taken. In cases where it is necessary to take appropriate measures against directors, the Supervisory Board is required to inform the Shareholders' Meeting;

- periodically, on an informative report to the directors in charge of the internal control and risk management system, on at least a quarterly basis, concerning the verification and control activities carried out and their outcome, as well as in relation to any critical issues that have emerged in terms of conduct or events that may have an effect on the adequacy or effectiveness of the Model. The Supervisory Board, on at least an annual basis, also reports to the Board of Directors on the activities carried out, including monitoring the adequate dissemination of the content of the Model. At least once a year, a report summarising the results of the audits carried out during the reference period shall be submitted, in respect of which the Supervisory Board shall provide an adequate account of the utilisation of the allocated budget and formulate, for approval, the requests for the resources necessary to fulfil its role in the following period.

The Supervisory Board reports to the Board of Auditors:

- immediately, with regard to ascertained violations of the adopted Model or to the ascertained commission of other offences relevant to the Company as regulated by the Legislative Decree 24/2023, in cases where such violations could give rise to liability for the Company, since the Board of Statutory Auditors must supervise the adequacy of the Company's administrative, organisational and accounting system and its proper functioning;
- periodically, transmitting the same summary report, which, as explained above, must also be sent to the Board of Directors on at least an annual basis.

The Supervisory Board may be convened at any time by the aforementioned bodies or may itself submit a request to that effect, to report on the functioning of the Model or on specific situations.

## **Information flow management activities**

### **A) Periodic information flows**

In order to facilitate the control and supervisory activities of the Supervisory Board, systematic information flows to the Supervisory Board must be made and guaranteed, also by using the e-mail ([odv@tps-group.it](mailto:odv@tps-group.it)).

It is therefore necessary for the Supervisory Board to be constantly informed of what is happening in the Company and of any relevant aspects.

The information obligations towards the Supervisory Board guarantee an orderly performance of the supervisory and control activities on the effectiveness of the Model and concern, on a periodical basis, the information, data and news specified in the details of the Special Sections, or further identified by the Supervisory Board and/or requested by it from the individual functions of the Company.

This information must be transmitted at the times and in the ways that are defined in detail in the Special Parts or that will be defined by the Supervisory Board (so-called *periodic information flows*).

### **B) Occasional information flows (so-called "event-driven")**

The obligations to provide information to the Supervisory Board also concern, on an occasional basis, any further information, of whatever kind, provided that it relates to the implementation of the Model in the areas of sensitive activities and compliance with the provisions of the Decree, which may be useful for the performance of the tasks of the Supervisory Board (so-called *occasional "event-driven" information flows*) and, in particular, on an obligatory basis

- information on the actual implementation, at all levels of the company, of the Model, with evidence of any sanctions imposed, or of measures to dismiss sanction proceedings, with the relevant reasons;
- the emergence of new risks in the areas directed by the various managers;
- any reports prepared by the various managers as part of their control activities, from which facts, acts or omissions with critical profiles may emerge with respect to compliance with the provisions of the Decree or the provisions of the Model;
- any anomalies, atypicalities detected or findings by the corporate functions of the control activities put in place to implement the Model;
- measures and/or information from judicial police bodies, or from any other public authority, from which it can be inferred that investigations for the offences referred to in the Decree have been carried out, even against unknown persons;
- internal reports from which responsibility for the alleged offences emerges;
- reports or requests for legal assistance forwarded to the Company by *senior* managers or persons *subject to the direction of others* in the event of legal proceedings being brought against them for one of the offences provided for in the Decree.

**C) Reports of violations of Model 231 (or of other offences relevant to the Company as governed by Legislative Decree 24/2023)**

The obligations to inform the Supervisory Board, in its capacity as the manager of the reports received through the Whistleblowing Procedure, also concern any further information concerning violations of the 231 Model or the commission, even if alleged, of other offences relevant to the Company as defined in the aforementioned reporting procedure (so-called whistleblowing *reports*), which, by way of example and without limitation, may concern, in particular:

- reports by *senior managers* or persons *subject to the direction of others* of alleged cases of violations and non-compliance with specific behavioural precepts, or of any suspicious attitude with reference to the offences specified in the Decree;
- reports by collaborators, consultants and, in general, self-employed workers, by suppliers and partners (also in the form of temporary associations of companies, including labour supply companies and joint ventures) and, more generally, by all those who operate in a significant and/or continuous manner within the areas of so-called *sensitive* activities on behalf of or in the interest of the Company, of alleged cases of violations and non-compliance with specific behavioural precepts, or of any suspicious attitude with reference to the offences specified in the Decree.

With reference to the procedures for the transmission of reports by *senior managers* or persons *subject to the direction of others*, it is emphasised that the obligation to inform the employer of any conduct contrary to the adopted Model falls within the broader duty of diligence and duty of loyalty of the employee.

For this purpose, the Company has adopted a specific reporting procedure that can be found in full in the following link: (<https://www.tps-group.it/investor-relations>) under "Business Ethics".

Correct fulfilment of the duty to inform by the employee may not give rise to the application of disciplinary sanctions. On the other hand, any improper information, whether in terms of content or form, determined by a slanderous intention will be subject to appropriate disciplinary sanctions, always in compliance with the

provisions of Legislative Decree no. 24/2023 and the Whistleblowing Procedure adopted by the Company in adherence to that legislation.

In particular, the following requirements apply:

- information and reports from anyone, including those relating to any violation or suspected violation of the Model, its general principles and the principles enshrined in the Code of Ethics, must be made in writing and/or orally, possibly even anonymously, in accordance with the provisions of the specific Procedure for reporting possible offences (whistleblowing). The Supervisory Board, appointed by the Company as the reporting manager, shall act in such a way as to guarantee the authors of the reports against any form of retaliation, discrimination or penalisation or any consequence deriving therefrom, ensuring the confidentiality of their identity, without prejudice, however, to legal obligations and the protection of the rights of the Company or of the persons wrongly accused and/or in bad faith;
- information and reports must be sent by the person concerned directly to the Supervisory Board via the reporting channels indicated in the above-mentioned Whistleblowing Procedure;
- the Supervisory Board assesses the reports received; all the recipients of the reporting obligations are required to cooperate with the Board in order to enable it to collect all the additional information deemed necessary for a correct and complete assessment of the report.

#### **D) Flows and reports archiving**

The *periodic and occasional information flows* are stored by the Supervisory Board in a special computer and/or paper database. The Supervisory Board defines, by means of a specific internal provision, criteria and conditions for access to the database, as well as for the storage and protection of data and information, in compliance with the legislation in force.

The Supervisory Board, entrusted with the task of managing *reports* of offences and violations of the 231 Model adopted by the Company, handles the reports and the related supporting documentation in compliance with the "Procedure for reporting offences (whistleblowing)" adopted by the Company and, it also, annexed to the 231 Model by the Supervisory Board in compliance with the provisions of Legislative Decree no. 24/2023, i.e. *"for as long as necessary for the processing of the report and, in any case, no longer than five years from the date of the communication of the final outcome of the reporting procedure"*, in compliance with the confidentiality obligations specified in Article 12 of Legislative Decree no. 24/2023 and the principle of *"limitation of storage"* in Article 5, par. 1 e) of the GDPR.

Without prejudice to compliance with the provisions of the "Procedure for reporting possible offences (whistleblowing)" adopted by the Company", the data and information stored in the database, as well as all the data and information known to the Supervisory Board by reason of its role, are subject to confidentiality constraints and may not be disclosed to persons outside the Supervisory Board, unless access is compulsory by law.



## 5.6 Powers of the Supervisory Board

The main powers of the Supervisory Board are:

- self-regulation and definition of internal operating procedures;
- supervision and control.

With reference to the powers of self-regulation and definition of internal operating procedures, the Supervisory Board has exclusive competence in this respect:

- methods for documenting its activities, evaluations and decisions;
- methods of communication and direct relationship with each corporate structure, as well as the acquisition of information, data and documentation from corporate structures;
- procedures for coordination with the Board of Directors and the Board of Auditors and participation in the meetings of those bodies, at the initiative of the Body;
- methods of organising its supervisory and control activities, as well as reporting on the results of its activities.

With reference to supervisory and control powers, the Supervisory Board:

- has free and unconditional access to all the functions of the Company, without the need for any prior consent, in order to obtain any information or data deemed necessary for the performance of the tasks provided for in the Decree;
- may freely dispose, without any interference, of its initial and period *budgets*, in order to meet any requirements necessary for the proper performance of its tasks;
- may, if deemed necessary, avail itself of the assistance of all the structures of the Company under its direct supervision and responsibility;
- likewise, it may, in full decision-making autonomy and where specific skills are required and, in any case, to perform its tasks professionally, avail itself of the operational support or collaboration of particular professionals found outside the Company, using its own *budget* for the purpose. In these cases, persons external to the Supervisory Board operate as mere technical support of advisory importance;
- may, having made the appropriate investigations and checks and heard the author of the breach, report the event in accordance with the rules specified in the Disciplinary and Sanctioning System adopted pursuant to the Decree, it being understood that the process of formal notice and the imposition of the sanction is carried out by the employer in the case of employees, executives and senior managers.

## 5.7 Budget of the Supervisory Board

In order to further strengthen the requirements of autonomy and independence, the Supervisory Board is endowed with an adequate initial and period budget approved in advance by the Board of Directors.

The Supervisory Board may dispose of these economic resources in full autonomy, without prejudice to the need to report on the use of the budget itself at least on an annual basis, as well as to justify the presentation of the budget for the subsequent period, within the scope of the periodic information report to the Board of Directors.

## 6. Whistleblowing mechanism

The whistleblower is anyone who, having become aware of an offence or irregularity in the workplace while carrying out his/her duties, decides to report it to the Company.

Whistleblowing is the regulation of procedures to encourage and protect such reports.

In this perspective, TPS has adopted, pursuant to Legislative Decree 24/2023, the Procedure for reporting possible offences (whistleblowing) and has set up its own internal reporting channel.

With reference to the procedures for sending reports, as well as their management, full reference is made to the provisions of the aforesaid procedure, which, in addition to being annexed to this Model 231 adopted by the Company and constituting an integral and substantial part of it, is also available on the Company's website, within the special section dedicated to Business Ethics, in which the Model 231 adopted by the Company is also published.

# 7. Disciplinary and penalty system

Pursuant to Art. 6, par. 2 e) and Art. 7, par. 4 b) of the Decree, the Organisational, Management and Control Models, the adoption and implementation of which (together with the other situations provided for in the aforementioned Articles 6 and 7) constitutes a condition *sine qua non* for the Company's exemption from liability in the event of the commission of the offences referred to in the Decree, can only be considered effectively implemented if they provide for a disciplinary system capable of sanctioning non-compliance with the measures indicated therein.

The application of disciplinary sanctions is irrespective of the commencement or outcome of any criminal proceedings, since the Model and the Code of Ethics contain binding rules for the Recipients, the violation of which must, in order to comply with the dictates of the aforementioned Legislative Decree, be sanctioned regardless of whether an offence has actually been committed or whether it is punishable.

The rules of conduct imposed by the Model are, in fact, assumed by the Company in full autonomy, in order to better comply with the regulatory precepts incumbent on the Company.

Moreover, the principles of timeliness and immediacy make it inappropriate and inadvisable to delay the imposition of the disciplinary sanction pending the outcome of any proceedings brought before the judicial authority<sup>4</sup>.

## 7.1 Definition and limits of disciplinary liability

This section of the Model identifies and describes the relevant Infringements pursuant to Legislative Decree no. 231/2001, as amended, the corresponding disciplinary sanctions that may be imposed and the procedure for challenging them.

The Company, aware of the need to comply with the law and with the applicable contractual provisions in force, ensures that the sanctions that can be imposed under this disciplinary system comply with the provisions of the National Collective Labour Agreement (Contract for workers in the industrial sector Metalworking Companies or other contracts applied by the Company) and that the procedural *process* for the notification of the offence and the imposition of the relevant sanction is in line with the provisions of Article 7 of Law no. 300 of 30 May 1970 (so-called "Workers' Statute").

For Recipients who are bound by contracts of a nature other than an employment relationship (directors and External Persons in general), the applicable measures and sanctioning procedures must be carried out in compliance with the law and the terms of the contract.

<sup>4</sup> "At the same time, the decision to apply a sanction, especially an expulsion sanction, without waiting for the criminal trial, entails a rigorous ascertainment of the facts, without prejudice to the possibility of resorting to the institution of precautionary suspension when that ascertainment is particularly complex".

## 7.2 Recipients and their duties

The Recipients of this disciplinary system correspond to the Recipients of the Model itself.

The Recipients are obliged to conform their conduct to the principles established in the Code of Ethics and to all the principles and measures for the organisation and management of company activities defined in the Model.

Any violation of the aforementioned principles, measures and procedures (hereinafter, *Infringements*), represents, if ascertained:

- in the case of employees and managers, a breach of contract in relation to the obligations arising from the employment relationship pursuant to Article 2104 of the Civil Code and Article 2106 of the Civil Code;
- in the case of directors, failure to comply with the duties imposed on them by law and the articles of association pursuant to Article 2392 of the Civil Code;
- in the case of External Parties, it constitutes a breach of contract and entitles the Company to terminate the contract, without prejudice to compensation for damages.

The procedure for the imposition of the sanctions referred to below therefore takes into account the particularities arising from the legal *status* of the person against whom proceedings are brought.

In any case, the Supervisory Board must be involved in the proceedings for the imposition of disciplinary sanctions resulting from Infringements.

The Supervisory Board shall ensure that specific procedures are adopted for informing all the above-mentioned persons, as soon as their relationship with the Company arises, of the existence and content of this sanctioning system.

## 7.3 General principles on sanctions

The sanctions imposed for infringements must, in any case, respect the principle of gradualness and proportionality specified for the infringements committed.

The determination of the type, as well as the extent of the sanction imposed following the commission of Infringements, including offences relevant under Legislative Decree No. 231/2001, must be based on the respect and assessment of the following:

- intentionality of the conduct giving rise to the breach;
- negligence, recklessness and inexperience shown by the perpetrator in the commission of the infringement, especially with reference to the actual possibility of foreseeing the event;
- relevance and possible consequences of the violation or offence;
- Recipient's position within the company organisation, especially in view of the responsibilities associated with his/her duties;
- aggravating and/or extenuating circumstances, if any, that may be found in relation to the conduct of the Recipient (aggravating circumstances include, by way of example, previous disciplinary sanctions against the same Recipient in the two years preceding the breach or offence);
- concurrence of several Recipients, in agreement with each other, in the commission of the violation or offence.

## 7.4 Procedure for contesting the breach and imposition of the sanction

The sanctions and the relevant procedure for contesting the Infringement differ according to the different category of Recipient.

This section sets out the procedures to be followed if any of the violations set out in the previous section are found to have been committed. These procedures will be described below with regard to each category of recipients, indicating, for each:

- stage of contesting the infringement to the person concerned;
- stage of determination and subsequent imposition of the sanction.

The Supervisory Board is responsible for supervising compliance with the Model in the management of reports received through the Whistleblowing Procedure. It is therefore obliged to take action in order to carry out all the checks and controls falling within the scope of its activity if, in the course of its supervisory and verification activities, or in all cases in which it receives a report, even anonymous, it acquires elements that may constitute a danger of a breach thereof.

Once the verification and control activity has been completed, the Supervisory Board must assess, on the basis of the elements in its possession, whether a violation of the Model has actually occurred or whether other offences relevant to the Company have been committed, even if supposedly, as regulated by Legislative Decree no. 24/2023.

If positive, it shall report the violation to the competent corporate bodies; if negative, it shall forward the report to the Head of Human Resources for the purposes of the possible relevance of the conduct with respect to other applicable laws or regulations.

In the event that the Supervisory Board discovers a violation of the model or the commission of other offences of relevance to the Company as governed by Legislative Decree no. 24/2023, the competent Corporate Bodies shall initiate the procedure for contesting the charges in accordance with the procedures set out below.

### **A) In respect of Directors, Statutory Auditors and members of the Supervisory Board**

If the Supervisory Board finds that the Model has been violated or, following a specific report received, that other offences relevant to the Company have been committed, insofar as they are governed by Legislative Decree no. 24/2023 by a person holding the office of Director, who is not linked to the Company by an employment relationship, shall submit to the Board of Directors and the Board of Statutory Auditors a report containing:

- description of the conduct complained of;
- indication of the provisions of the Model or of the specific regulations governed by Legislative Decree no. 24/2023 that have been breached;
- details of the person responsible for the violation;
- documents proving the infringement and/or other evidence;
- proposal as to the appropriate sanction in the specific case.

Within 10 days of receiving the Supervisory Board's report, the Board of Directors shall convene the member indicated by the Supervisory Board for a Board meeting to be held no later than 30 days after receiving the report. The convocation must:

- be made in writing;
- contain an indication of the conduct complained of and of the provisions of the Model or of the specific regulations governed by the Legislative Decree no. 24/2023 infringed;
- inform the person concerned of the date of the meeting, with notice of the right to make any written or verbal remarks and/or submissions;
- be signed by the Chairman or at least two members of the Board of Directors.

At the meeting of the Board of Directors, to which the Supervisory Board and the Board of Statutory Auditors are also invited to attend, the hearing of the person concerned, the acquisition of any statements made by the latter, as well as the performance of any further investigations deemed appropriate, are arranged.

On the basis of the elements acquired, the Board of Directors determines the sanction deemed applicable, justifying any disagreement with the proposal formulated by the Supervisory Board.

The decision to impose the disciplinary sanction is communicated in writing, by the Board of Directors, to the person concerned as well as to the Supervisory Board, for the appropriate checks. If the sanction deemed applicable consists in removal from office, the Shareholders' Meeting shall adopt the relevant resolutions.

The procedure described above also applies, with due adaptations, in the event of a violation of the Model by the Auditor, to the extent permitted by the applicable legal provisions.

In all cases in which a violation of the Model by a Director linked to the Company by an employment relationship is discovered, the procedure provided for Senior Managers will be instituted. If, as a result of such proceedings, the sanction of dismissal is imposed, the Board of Directors convenes the Shareholders' Meeting to resolve on the removal of the director from office.

If it is the Statutory Auditors or members of the Supervisory Board who have committed violations of the Model or the commission of other offences relevant to the Company as governed by Legislative Decree 24/2023, they shall be summoned directly before the Board of Directors, which shall impose the sanction on them.

In particular, in the event of a breach committed by a member of the Supervisory Board, it is the Board of Directors that will prepare the report on the conduct alleged and impose the relevant sanction.

#### ***B) In respect of Senior and Non- Senior managers***

If a violation of the Model is discovered or, following a specific report received, that other offences relevant to the Company have been committed, insofar as they are governed by Legislative Decree no. 24/2023, by a Manager, whether senior or not, the procedure for contesting the offence is carried out in compliance with the applicable legal provisions, as well as with the applicable collective agreements.

In particular, the Supervisory Board transmits to the Board of Directors, the Board of Auditors and the Human Resources Manager a report containing:

- description of the conduct observed;
- indication of the provisions of the Model or of the specific regulations governed by Legislative Decree no. 24/2023 that have been breached;
- details of the person responsible for the violation;
- documents proving the infringement and/or other evidence.

Within 5 days from the acquisition of the Supervisory Board's report, the Company, through the Human Resources Department, in compliance with the applicable regulations and the applicable National Labour Collective Agreement, shall issue a written complaint to the Manager concerned, specifying the contested conduct and the provisions of the Model or of the specific regulations governed by Legislative Decree no. 24/2023 subject of the violation ascertained by the Supervisory Board, assigning it a time limit of five days from receipt of the communication to provide counter-arguments according to the method provided for by the applicable regulations and the applicable National Labour Collective Agreement.

After carefully assessing the justifications put forward by the person concerned, or in the absence thereof, the Board of Directors, also taking into account the sanction proposal in relation to the concrete case formulated by the Supervisory Board, decides on the determination and the concrete imposition of the sanction, in compliance with the law and regulations, as well as with the provisions of collective bargaining agreements and company regulations, where applicable, also giving reasons for any disagreement with the proposal formulated by the Supervisory Board.

The measure imposing the sanction is communicated in writing to the person concerned by the Board of Directors through the Human Resources Office, in compliance with the time limits specified by the legislation in force and by the collective bargaining agreement applicable to the specific case.

The Supervisory Board, to which the measure imposing the sanction is sent for information, verifies its application.

The Board of Directors shall also ensure that the Board of Auditors is fully informed of the incident, whatever the outcome of the investigation, at the first scheduled meeting.

### **C) Towards employees (Managers, Office workers, Manual workers)**

If the Supervisory Board finds that the Model has been violated or, following a specific report received, that other offences relevant to the Company have been committed, insofar as they are governed by Legislative Decree no. 24/2023, by an employee, it initiates the procedure for establishing the offence in accordance with the applicable legal provisions and applicable collective agreements.

In particular, the Supervisory Board submits a written report to the Board of Directors, the Board of Auditors and the Human Resources Manager containing:

- description of the conduct observed;
- indication of the provisions of the Model or of the specific regulations governed by Legislative Decree no. 24/2023 that have been breached;
- identity of the person responsible for the violation;
- documents proving the infringement and/or other evidence;

Within five days of the acquisition of the Supervisory Board's report, the Company, through the Human Resources Manager, in compliance with the applicable regulations and the applicable National Labour Collective Agreement, shall notify the employee concerned, by means of a written notice, of the conduct complained of and of the provisions of the Model or of the specific regulations governed by Legislative Decree no. 24/2023 subject of the violation ascertained by the Supervisory Board, assigning it a time limit of five days from receipt of the communication to provide counter-arguments according to the method provided for by the applicable regulations and the applicable National Labour Collective Agreement.



After carefully assessing the justifications put forward by the person concerned, or in the absence thereof, the Human Resources Office, also taking into account the sanction proposal in relation to the concrete case formulated by the Supervisory Board, decides on the determination and actual imposition of the sanction, in compliance with the law and regulations, as well as with the provisions of collective bargaining agreements and company regulations, where applicable, also giving reasons for any disagreement with the proposal formulated by the Supervisory Board.

The measure imposing the sanction is communicated in writing to the person concerned by the Human Resources Department, in accordance with the time limits specified by the legislation in force and by the collective bargaining agreement applicable to the specific case.

The Supervisory Board, to which the measure imposing the sanction is sent for information, verifies its application.

The Board of Directors shall also ensure that the Board of Auditors is fully informed of the incident, whatever the outcome of the investigation, at the first scheduled meeting.

***D) Towards Third Party Recipients (e.g. consultants, collaborators, agents, proxies, etc.)***

If the Supervisory Board identifies a violation of the Model by a Third Party Addressee, it shall send a written report to the Board of Directors, the Board of Statutory Auditors and the Head of Department containing:

- description of the conduct observed;
- indication of the provisions of the Model that have been violated;
- details of the person responsible for the violation;
- documents proving the infringement and/or other evidence;
- its own proposal for a sanction in relation to the concrete case.

Within ten days of receiving the Supervisory Board's report, the Head of Department decides on the determination and concrete application of the measure, giving reasons for any disagreement with the proposal formulated by the Supervisory Board.

The Head of Department then sends the person concerned an initial written notice, containing an indication of the conduct complained of and the provisions of the Model that have been breached, as well as the contractually provided and applicable remedy.

Subsequently, the final decision to impose the sanction is communicated in writing to the person concerned by the Head of Department, who also provides for the actual application of the sanction in accordance with the law and regulations.

The Supervisory Board, to which the notice is sent for information, verifies the application of the applicable contractual remedy.

The Board of Directors shall also ensure that the Board of Auditors is fully informed of the incident, whatever the outcome of the investigation, at the first scheduled meeting.

**Ancillary measures to sanctions**

It is reiterated that every person, recipient of the sanctions provided for in this system, is guaranteed the opportunity, as provided for by the legal system in general, to be able to know the reasons for the sanction imposed and to exercise his/her right of defence.

Having said this, this disciplinary system, also with a view to highlighting the preventive and re-educational function of the sanctions provided for herein, also includes certain so-called "accessory" measures to the sanctions, which consist of specific information, education and training activities for recipients who, by violating the provisions contained in the organisational model and its elements, demonstrate that they have not fully understood the importance of risk prevention activities and of maintaining the proper functioning of company operations.

"Ancillary" measures shall be imposed and enforced in accordance with the criteria specified in this Disciplinary System, in agreement with the Supervisory Board.

## **7.5 Imposable sanctions**

The TPS points out that the initiation of proceedings and the possible adoption of sanctions is completely independent of any criminal proceedings and their outcome. Consequently, the Company, having carried out the appropriate preliminary investigation better described in paragraph 6.4 above, has the power to adopt the disciplinary sanctions it deems congruous and suitable for the concrete case, since they do not necessarily have to match the Judge's assessments, given the total autonomy of the sanctioning procedure from criminal prosecution.

It should be duly emphasised that compliance with the rules and principles with which the Company has equipped itself through the adoption of this Model constitutes one of the obligations that the Legislator has generically referred to in Article 2104 of the Civil Code, which specifies the diligence that the employee must use in the performance of his/her duties.

It follows that the conduct of subordinate workers contrary to the provisions of the current Model, in any case, constitutes a disciplinary offence that the Company will pursue and for which the sanctions provided for by the National Collective Labour Agreement referring to the workers in question may be adopted.

The Company also points out that, if the violation committed causes the existing relationship of trust to cease, the sanction is dismissal for justified reason or just cause.

### **A) Sanctions against employees**

#### **Manual Workers, Office Workers and Managers**

Behaviour by employees and managers in breach of the individual rules of conduct set out in this Model is defined as disciplinary offences.

With reference to the sanctions that can be imposed on employees, they fall within those provided for in the sanctions system specified in the National Labour Collective Agreement, in compliance with the procedures specified in Article 7 of the Workers' Statute and any special regulations applicable.

The Company's corporate disciplinary system is therefore made up of the provisions of the Civil Code, the Workers' Statute and the National Labour Collective Agreement provisions. In particular, the disciplinary system describes the conduct sanctioned, depending on the importance of the individual facts considered, and the sanctions concretely provided for the commission of the facts on the basis of their seriousness.

In relation to the above, the Model refers to the sanctions and the categories of punishable acts provided for by the existing sanctions apparatus of the National

Labour Collective Agreement, in order to relate any violations of the Model to the cases already provided for by the aforementioned provisions.

The Company considers that the aforementioned sanctions provided for in the National Labour Collective Agreement apply, in accordance with the procedures specified below and in consideration of the general principles and criteria identified in the previous point, in relation to the Infringements defined above.

The National Labour Collective Agreement for Metalworkers in the industrial sector, in fact, identifies hypotheses of disciplinary non-compliance which, by virtue of their generality and abstractness, are to be considered suitable to include the aforementioned infringement.

In particular, the following sanctions are provided for workers in the metalworking sector, in application of the National Collective Labour Agreement:

- a) verbal warning;
- b) written warning;
- c) a fine not exceeding 3 hours' hourly pay calculated on the minimum wage;
- d) suspension from work and pay for up to three days;
- e) dismissal with or without notice.

**a) Verbal warning:** it is applicable to the employee in all cases in which the instructions issued by the Company are not observed by him/her. In particular, a verbal warning will be issued to any worker who violates one of the internal procedures specified in the Model (e.g. fails to observe the prescribed procedures, fails to notify the Supervisory Board of the prescribed information, fails to carry out checks) or adopts, in the performance of activities in sensitive areas, a conduct that does not comply with the requirements of the Model.

**b) Written warning:** this is applicable to the employee in all cases where the employee repeatedly fails to comply with the instructions given by the Company. In particular, a worker who is a recidivist in violating the procedures specified in the Model or who adopts, in the performance of activities in sensitive areas, a conduct that does not comply with the requirements of the Model, incurs a written warning.

**c) Fine:** this is applicable to the employee in all cases in which he/she fails to comply with the instructions given by the Company, causing a situation of danger to the integrity of the Company's assets and/or constituting acts contrary to the interests of TPS. In particular, a fine, not exceeding the amount of three hours' hourly remuneration calculated on the minimum wage, shall be imposed on any worker who, in violating the internal procedures specified by the Model, or by adopting, in the performance of activities in sensitive areas, a conduct that does not comply with the requirements of the Model, exposes the integrity of corporate assets to a situation of objective danger.

**d) Suspension from work and pay up to a maximum of 3 days:** applies to the employee in the event of

- Tolerance, through negligence, of violations, or non-compliance, with the values and ethical principles of conduct set out in the Code of Ethics, the general principles of conduct and the control protocols specified in this Model and the obligations to inform the Supervisory Board by persons subject to its direction;

- in general, commission with negligence, demonstrated responsibility and causing damage to the Company, of Infringements of greater gravity than those punishable by a written warning or a fine not exceeding three hours' pay;
- in particular, commission, with negligence and proven responsibility, of an Infringement of such importance as to constitute, even in a purely abstract manner, the elements of one of the offences contemplated by Legislative Decree 231/2001.

**e) Dismissal with or without notice:** this applies to any employee whose conduct causes the Company's trust in him/her to be broken, and also causes serious moral and/or material harm to TPS. In particular, any employee - who is a recidivist in misconduct for which two suspension measures have been imposed in the previous two years - who adopts, in the performance of his duties, conduct that violates the provisions of the Model, such as to determine the concrete application against the Company of the measures specified in the Decree.

Workers will be given immediate and widespread information about the introduction of any new provision, with an internal communication explaining the reasons and summarising its content.

### **Executives**

The management relationship is characterised by its eminently fiduciary nature. In fact, a manager's conduct is reflected not only within the Company, but also externally, for instance in terms of image with respect to the market and in general with respect to the various stakeholders.

Therefore, compliance by the Company's managers with the provisions of this Model and the obligation for them to enforce it are essential elements of the managerial working relationship, since they constitute an incentive and example for all those who report to them hierarchically.

Any Infringements committed by the Company's executives, by virtue of the special relationship of trust existing between them and the Company itself and the lack of a disciplinary system of reference, shall be sanctioned with the disciplinary measures deemed most appropriate to the individual case in compliance with the provisions set out above in the paragraph on "General Principles concerning Sanctions", in accordance with the provisions of the law and in compliance with the provisions of the National Collective Labour Contract applicable to them. It should be considered, in fact, that the aforementioned violations constitute, in any event, breaches of obligations arising from the employment relationship.

The same disciplinary measures are provided for in cases in which a manager expressly allows, or for failure to supervise, employees subordinate to him to engage in conduct that does not comply with the Model or in violation thereof, conduct that may be qualified as infringements.

In particular, in the event of violation by managers of the internal procedures specified in the Model, or of the adoption, in the performance of activities in areas at risk, of a conduct that does not comply with the provisions of the Model, the most appropriate measures will be applied against those responsible, in accordance with the provisions of the relevant National Collective Agreements and the sanctions specified for employees.

The sanctions and any claim for damages shall be commensurate with the level of responsibility and autonomy of the manager, the possible existence of previous

disciplinary proceedings against him/her, the intentionality of the conduct and the seriousness thereof, meaning the level of risk to which the Company may reasonably be deemed to be exposed - pursuant to and for the purposes of Legislative Decree no. 231/2001 - as a result of the conduct complained of.

The Supervisory Board must be kept duly informed of the application of any sanctions applied.

***B) Measures against senior managers (Article 5, par. 1 a) of the Decree)***

The Company assesses with the utmost rigour Infringements of this Model committed by those who represent the senior management of the Company and thus convey its image towards the various stakeholders.

The values of fairness and transparency must first and foremost be embraced, shared and respected by those who guide corporate decisions, so as to set an example and stimulate all those who, at any level, work for the Company.

In particular, violations of the principles and measures specified in the Organisation, Management and Control Model adopted by the Company by members of its Board of Directors must be promptly notified by the Supervisory Board, the entire Board of Directors and the Board of Statutory Auditors.

The Board of Directors is competent to assess the Infringement and to take the most appropriate measures against the Directors who committed the Infringements. In this assessment, the Board of Directors is assisted by the Supervisory Board and decides by an absolute majority of those present, excluding the Directors who committed the Infringements, after hearing the opinion of the Board of Auditors.

The Board of Directors, and the Board of Statutory Auditors pursuant to Article 2406 of the Italian Civil Code, are competent, in accordance with the applicable legal provisions, to convene the Shareholders' Meeting, if deemed necessary. The convocation of the Shareholders' Meeting is obligatory for resolutions on possible removal from office or liability action against the Directors.

In the event of non-compliance with the Model or the Code of Ethics by one or more Directors or members of the Board of Auditors, the Chief Executive Officer or the Supervisory Board shall immediately inform the entire Board of Directors and the Board of Auditors.

Once the preliminary investigation phase is over, without prejudice to the procedure described above and the prohibition for the Director involved to participate in the Board of Directors that will deal with his/her proceedings, the relevant conclusions will be submitted to the Board of Directors, which will adopt the final measure. In the event that disciplinary proceedings affect the Chief Executive Officer, the relevant investigation and procedural steps will be taken by the Managing Director.

The Company provides for the following sanctions against members of the Board of Directors and the Board of Auditors:

- a)** censorship;
- b)** suspension of emoluments from 1 to 6 months;
- c)** a fine ranging from Euro 5,000.00 to Euro 35,000.00

it being understood that the imposition of a sanction does not preclude the Company from proceeding in civil proceedings for compensation for the damage suffered, including to its image.

Directors and Statutory Auditors, by accepting their appointment, implicitly acknowledge their duty to comply with the Model and that any disciplinary proceedings resulting in a violation may result in the revocation of their office.

In the event that non-compliance with the procedures and the principles and rules set out in the Organisational Model is committed by business partners, consultants, external collaborators or other persons having contractual relations with the Company, such non-compliance may constitute a breach relevant for the purposes of contract termination, with the possible application of penalties and/or claims for damages, including - where applicable - damages caused by the application by the Judge of the measures provided for in the Decree.

### ***C) Measures against external parties***

Any conduct adopted by External Parties (collaborators, consultants and, in general, self-employed workers, suppliers and partners, including in the form of temporary associations of companies, including labour supply companies and joint ventures) that is in conflict with the lines of conduct indicated in this Model and which entails the risk of an offence under the Decree being committed may determine, in accordance with the provisions of the specific contractual clauses included in the letters of appointment or in the contracts, the termination of the contractual relationship, or the right to withdraw from it, without prejudice to any claim for compensation if such conduct causes damage to the Company, such as, purely by way of example, in the case of the application, even as a precautionary measure, of the sanctions provided for by the Decree against the Company.

The Supervisory Board, in coordination with the Chairman or another person delegated by him/her, verifies that specific procedures are adopted to transmit the principles and lines of conduct contained in this Model and in the Code of Ethics to the External Parties, and verifies that they are informed of the consequences that may result from their violation.

## 8. Training and dissemination of the model

The Company promotes knowledge of the Model among all Employees who are, therefore, required to learn its contents and comply with it.

The HR Department manages the training of personnel on the contents of the Decree and the implementation of the Model, reporting to the Supervisory Board.

The training course has two levels:

- 1) Employees: information at the time of recruitment and training courses, possibly also provided through e-learning;
- 2) Department heads and staff of the areas considered most at risk for the commission of the alleged offences: meetings and targeted meetings with experts in the field.

Participation in the training sessions, as well as in the *e-learning* course, is compulsory.

The HR Management monitors that the training course is used by all personnel.

In particular, participation in training sessions is tracked by signing an attendance form or, in the case of *e-learning* training, through a certificate of attendance. These are transmitted once a year to the Supervisory Board by e-mail to [odv@tps-group.it](mailto:odv@tps-group.it)

On the other hand, an information note will be distributed to persons outside TPS - and in particular to all those who have current contractual relations with the Company in the context of sensitive activities and instrumental activities; in particular, to those with whom contractual relations will be established in the future, the information note will be delivered at the time the relevant contracts are signed. It will be the responsibility of the Supervisory Board to verify the adequacy of the information note and its effective communication. In addition, all persons having contractual relations with the Company within the scope of the so-called *sensitive* activities - the list of which is updated by the Chief Executive Officer or by another person delegated by the latter - shall be provided with a copy of the General Section of this Model, of the Code of Ethics, or shall be instructed to access such copy independently, for the purpose of signing it, which is necessary for the proper performance of the contract.



## 9. Confirmation of the adequacy of the model and its effective implementation

Confirmation of the adequacy of the Model and its effective implementation is ensured:

- by the results of the monitoring activities carried out on an ongoing basis by the heads of department, for each activity under their responsibility.
- by the Supervisory Board, in the exercise of the supervisory and control powers described above and to which reference is made.



**TPS S.p.A.**

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