



Organizational and Control Model under Legislative Decree No. 231/2001

General Section

REV.	DATE	APPROVED	NOTES
1.0	08/02/2023	Board of Directors	First adoption

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DEFINITIONS

For the purpose of the Organisational, Management and Control Model, unless otherwise specified, the following terms have the meanings assigned to them:

- **Code of Ethics**: the document containing the ethical principles which inspire the **Company** in the performance of its activities.
- **Legislative Decree**: Legislative Decree No. 231 of 8 June 2001, entitled “*Provisions on the administrative liability of legal persons, companies and associations, including those without legal status*”, pursuant to article 11 of Law no. 300 of 29 September 2000”, published in the Official Journal no. 140 of 19 June 2001, and subsequent amendments and integrations, including Italian law no. 146/2006 which, in art. 10, refers to its application.
- **Recipients**: The persons to whom this **Organisational Model** is addressed and who are bound to comply with it.
- **Employees**: persons with an employment relationship with the Company.
- **Entity (or Company)**: legal person, company or association, even without legal personality. In this **Organisational Model: Atlante S.r.l.** (hereinafter referred to also as “**Atlante**” or the “**Company**”).
- **Company Function**: Function in charge of specific activities or acts in relation to one or more **Processes at Risk**.
- **Organisational Model**: Organisational and Management Model adopted by the **Company**, as provided for in articles 6 and 7 of the **Legislative Decree**, as an organic set of principles, rules, provisions, organisational diagrams and linked tasks and responsibilities, aiming to prevent the **Offences** referred to in the **Legislative Decree**. In particular, **Organisational Model** refers jointly to the General Part, Special Part and the **231 Procedures**.
- **Supervisory Body (SB)**: Body provided for in art. 6 of the Legislative Decree, with the task of monitoring the operation of and compliance with the **Organisational Model**, and of updating it.
- **Principles of conduct**: general principles of conduct with which the **Recipients** must comply with in the performance of the activities envisaged by the **Organisational Model**.
- **Processes at Risk**: company processes or phases thereof which, when performed, could give rise to unlawful conduct (offences or administrative offences) referred to in the **Legislative Decree**.
- **231 Procedure**: Specific procedure, containing the operating methods and persons involved in the **Processes at Risk**.
- **Offences**: offences or administrative offences which, if committed, could imply the administrative liability of **Atlante** pursuant to the **Legislative Decree**.
- **Whistleblower**: a witness or someone who becomes aware of a **Breach** committed by the **Recipients** of the **Organisational Model** and decides to report it.

- **Whistleblower**: the person the **Whistleblower** alleges has committed the **Breach** or suspected **Breach**.
- **Report**: notification concerning the reasonable or legitimate suspicion or awareness of **Breaches** committed by the **Recipients** of the **Organisational Model**.
- **Disciplinary System**: Set of sanctioning measures towards the **Recipients** who do not comply with the **Principles of conduct** and operating methods of the **Organisational Model** and/or the **Code of Ethics**.
- **Third Parties**: All external parties to the Company holding commercial relations with it, therefore excluding **Employees**, (e.g., consultants, suppliers, customers, agents, intermediaries, partners, temporary workers at the **Company**, workers seconded to the **Company**, parasubordinated workers).
- **Top Management** (so-called "**Senior Managers**"): Chairman, Chief Executive Officer, and other members of the Board of Directors.
- **Breach**: any action that is contrary to the provisions of the **Organisational Model** and/or the **231 Procedures** or unlawful conduct pursuant to the **Legislative Decree**.

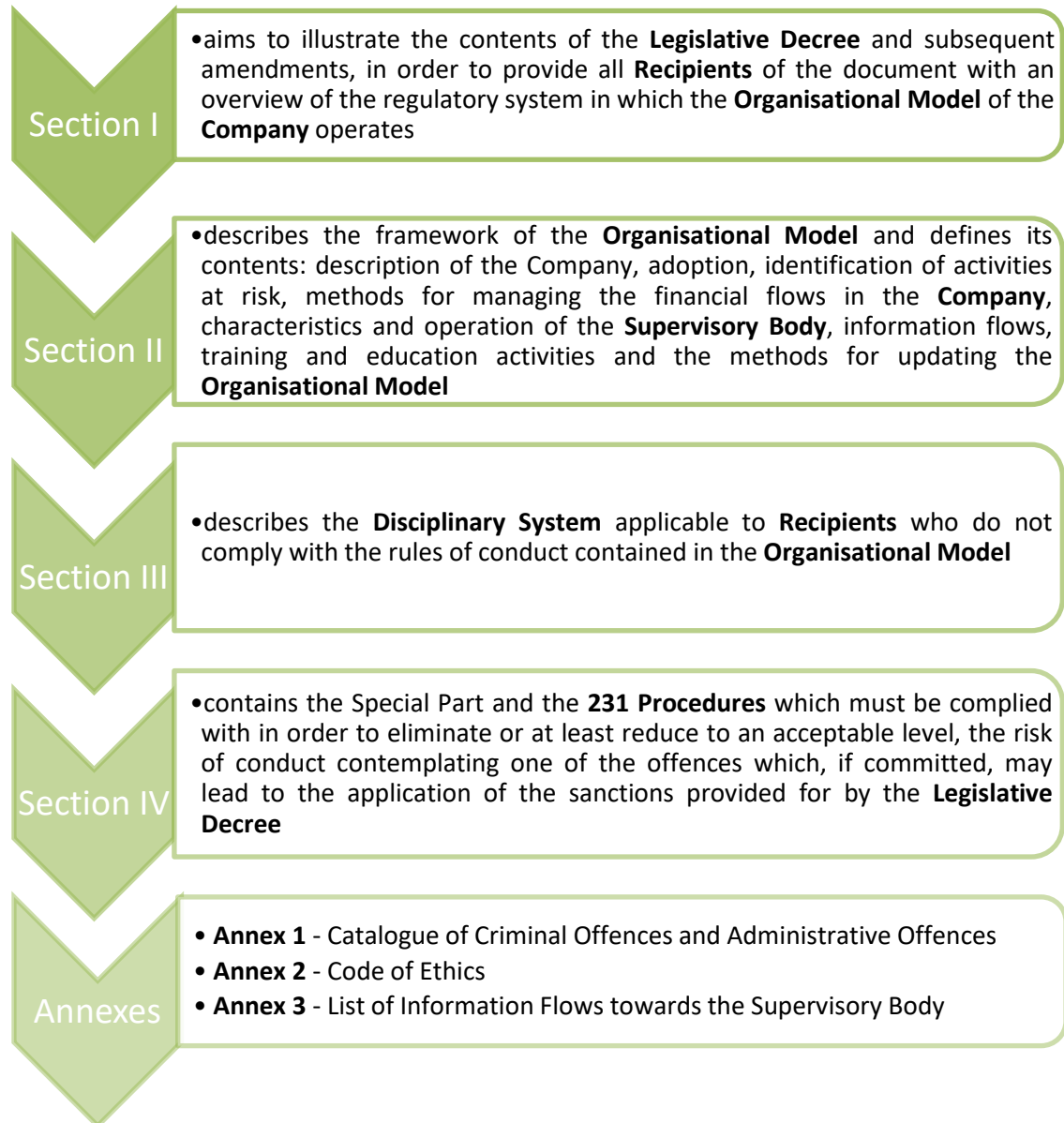
The terms defined in the singular are valid also in the plural where so required by the context, and vice versa.

The definitions in this article and referred to in this document also apply, where used, in the Special Part and in the **231 Procedures**.

1 Document structure

This document aims to illustrate the constituent parts of the **Organisational Model** of Atlante.

It consists of four sections, the contents of which are summarised below.



SECTION I

2 ITALIAN LEGISLATIVE DECREE NO. 231/2001

Legislative Decree no. 231 of 8 June 2001 introduced a system of administrative liability of **Entities** into the Italian legal system.

The issuance of the **Legislative Decree** falls within a national legislative context implementing international obligations.

The original text, which referred to a series of offences committed towards the public administration, was integrated by subsequent legislative provisions that extended the number of offences which, if committed, may lead to the administrative liability of the **Entity**. Furthermore, Italian Law no. 146/06 provides for the liability of the **Entity** in the event of the commission of certain offences (so-called Transnational Offences).

The liability of the **Entity** arises following the commission, by a person linked by a functional relationship to the Entity, of one of the **Offences** specifically provided for by the **Legislative Decree**.

The liability of the **Entity** arises following the commission, by a person linked by a functional relationship to the Entity, of one of the **Offences** specifically provided for by the **Legislative Decree**.

The functional relationship linking the author of the **Offence** to the legal person may be one of representation, subordination or collaboration, within the limits provided for by the **Legislative Decree**.

If the author of the **Offence** is a physical person holding functions of representation, administration, management or control of the **Entity** or one of its business units with financial and functional independence, or a person who, in fact, has a management and control role within the **Entity**, a presumption of liability is established towards the latter. This considers the fact that the physical person expresses, represents and implements the management of the **Entity**.

There is no presumption of liability towards the **Entity** if the author of the **Offence** is a person subject to the management or supervision of one of the parties referred to in the previous paragraph, therefore, in this case the actions of the person implies the liability of the **Entity** only if it is found that the action was made possible by the failure to comply with the management or supervision obligations.

The (administrative) liability of the **Entity** is in addition to the (criminal) liability of the physical person and does not replace it. Substantial independence from such liability occurs if the **Entity** has to respond to the offence even when its author has not been identified or cannot be accused, or if the offence is extinguished for reasons other than amnesty. The criminal liability of the physical person remains governed by criminal law.

The Italian legislator has established a **penalty system** characterised by the application of a sanction, usually a fine, to the legal person.

Along with fines, in some cases interdictive sanctions may apply, such as the disqualification from business activities, suspension or revocation of authorisations, licences or permits functional to the offence committed, prohibition from formal dealings with the Public

Administration, exclusion from or revocation of funding and contributions, prohibition of advertising goods and services.

In addition to the fine or interdictive sanctions, (always ordered under the conviction) the price or profit of the offence (also “by equivalent”) is confiscated and in some cases the conviction may be published.

The Italian legislator has also specified that such interdictive measures - in the event of serious indications of the liability of the **Entity** and when grounded, specific elements show that there is a concrete risk of the commission of offences of the same nature - may be applied at the request of public prosecutor, also during the investigations as a precautionary measure.

In the occurrence of specific conditions, the appointed judge, on application of an interdictive sanction that would lead to the interruption of the activities of the **Entity**, has the right to appoint a commissioner to oversee the continuation of the activities, for a period corresponding to the duration of the interdictive sanction that would have been applied.

The **Legislative Decree** also applies to foreign companies working in Italy, whether or not such laws exist in their country of origin to govern the same matters in a similar way.

3 The Offences determining the administrative liability of the Entity

The **Offences** which can lead to the administrative liability of the entity (so-called “predicate offences”) are explicitly indicated in the **Legislative Decree** and in some regulatory provisions that have broadened its scope:

- **improper receipt of public funds, fraud against the state or a public body or of the European Union or for the obtaining of public funds and computer fraud against the state or a public body and fraud in public procurement** (art. 24 of D. lgs. 231/2001);
- **computer crimes and illegal data processing** (article 24(2) of D. lgs. 231/2001);
- **organised crime** (art. 24(3) D. lgs. 231/2001);
- **Embezzlement, extortion, illegal inducement to give or promise a benefit, corruption and abuse of power** (art. 25 D. lgs. 231/2001);
- **counterfeiting of money, public credit documents and official stamps** (art. 25(2) D. lgs. 231/2001);
- **offences against industry and commerce** (art. 25(2)1 D. lgs. 231/2001);
- **corporate offences** (art. 25(3), D. lgs 231/2001);
- **offences for the purposes of terrorism or the overthrow of democratic order** (art. 25(4) D. lgs. 231/2001);
- **female genital mutilation** (art. 25(4)1, D. lgs. 231/2001);
- **offences against individuals** (art. 25(5), D. lgs. 231/2001);
- **market abuse** (art. 25(6), D. lgs. 231/2001);
- **manslaughter and serious or very serious culpable injury crimes committed in breach of the rules and regulations on accident prevention and on the protection of hygiene and safety at work** (art. 25(7), D. lgs. 231/2001);

- **possession of stolen goods, laundering and use of stolen money, goods or assets and self-laundering** (art. 25(8), D. lgs. 231/2001);
- **crimes relating to payment instruments other than cash** (art. 25(8)1, D. lgs. 231/2001);
- **copyright offences** (art. 25(9), D. lgs. 231/2001);
- **induction to not make declarations or to make false statements to the judicial authorities** (art. 25(10), D. lgs. 231/2001);
- **environmental offences** (art. 25(11), D. lgs. 231/2001);
- **employment of illegally resident foreign citizens** (art. 25(12), D. lgs. 231/2001);
- **racism and xenophobia** (art. 25(13), D. lgs. 231/2001);
- **fraud in sports competitions and illegal gambling or betting using forbidden equipment** (art. 25(14), D. lgs. 231/2001);
- **tax offences** (art. 25(15), D. lgs. 231/2001);
- **smuggling** (art. 25(16), D. lgs. no. 231/2001);
- **offences against the cultural heritage** (art. 25(17), D. lgs. 231/2001);
- **laundering of cultural assets and devastation and looting of landscape and cultural assets** (art. 25(18), D. lgs.231/2001);

Furthermore, Italian Law 146/2006, although not further amending the **Legislative Decree**, extended the liability of entities also to the commission of so-called *transnational offences*.

The description of relevant individual conduct for the purposes of criminal law is given in **Annex 1 - Catalogue of Offences and Administrative Offences**.

4 Organizational, Management and Control Models

The **Legislative Decree** provides for the Entity a **specific form of exemption of liability** if:

- a) prior to the offence being committed, the management has adopted and effectively implemented an *Organizational, Management and Control Model* aiming to prevent the **Offences**;
- b) the task of supervising the operation and compliance of the models as well as the management of their updating has been appointed to an internal body granted autonomous powers of initiative and control;
- c) the persons who committed the offence acted by fraudulently circumventing the above organisational, management and control models;
- d) the body listed in letter *b)* above is not found to have omitted to carry out its supervisory tasks, or to have carried them out insufficiently.

The **Organisational Model** is the set of rules, given in the Special Part and in the **231 Procedures**, of both a behavioural nature ("Principles of conduct") or a control, the compliance with which - in the performance of the activities within the framework of the **Processes at Risk** - assures the prevention of unlawful, incorrect or irregular conduct.

Failure on the part of the **Recipients** to comply with the **Organisational Model** and/or the **Code of Ethics** is subject to sanctions. For this purpose, the **Organisational Model** also includes a **Disciplinary System**, provided for and illustrated in this document.

5 The Confindustria Guidelines

In the drafting of this document, Atlante was inspired by the Confindustria Guidelines.

Naturally, the decision not to follow the **Organisational Model** and some recommendations in the Confindustria Guidelines does not adversely affect its validity. Organisational, management and control models in fact have to be drafted with reference to the actual reality of the **Company**.

SECTION II

6 Description of the Company

6.1 HISTORY AND ACTIVITIES OF ATLANTE

Established in 2021, **Atlante** is the Global Business Line of the NHOA Group operating in the construction of the first rapid charging network for electric vehicles enabled by renewable sources, power accumulation and 100% integrated into the network.

Atlante offers electric vehicle drivers rapid “on-the-go” charging, thanks to its unique technological characteristics that optimise charging costs and integration services from vehicle to network, at the same time supporting the European network. The 35,000 Fastchargers envisaged by 2030 will all be interconnected and will constitute the world’s largest virtual electrical power system.

6.2 CODE OF ETHICS

In **Atlante** there is a **Code of Ethics** (Annex 2) in force that defines the values which inspire the **Company** in the performance of its activities.

The **Code of Ethics** contains the ethical principles and rules of conduct that the **Top Management, Employees**, everyone working in the name of and on behalf of the **Company** as well as **Third Parties** are bound to comply with and/or share.

The provisions of the **Organisational Model** are inspired by the ethical principles and rules of conduct contained in the **Code of Ethics** and are integrated and compatible with it.

6.3 PURPOSE AND STRUCTURE OF THE ORGANISATIONAL MODEL

The **Organisational Model** in line with the requirements of the **Legislative Decree** and in particular with articles 6 and 7, along with the issue of the **Code of Ethics**, was adopted in the belief that this initiative can also constitute a valid instrument for raising awareness among **Recipients**, to ensure that, in the performance of their activities, they adopt correct, linear conduct to prevent the risk of the commission of the **Offences**.

More specifically, the **Organisational Model** sets out to:

- a) establish a *structured and organic system of prevention and control mechanisms*, whose purpose is to reduce the risk of commission of **Offences** associated with the Company's activities and prevent/fight any illegal conduct;
- b) determine, in all those working in the name of and/or on behalf of the **Company** especially in “areas of activities at risk”, the *awareness of the risk*, in the event of the breach of the provisions contained therein, of *committing an offence that may be sanctioned*, possibly with criminal sanctions, which may also lead to sanctions applied to the **Company**;
- c) inform the **Recipients** that the breach of the requirements laid down in the **Organisational Model** which they are bound to comply with, shall lead to the *application of specific sanctions and, in the most serious cases, the termination of the contractual relationship*;
- d) underline that *the Company does not tolerate unlawful behaviour* of any kind, whatever the purpose, as such conduct (also in the event that the **Company** was apparently in a

condition to benefit from such behaviour) is in any case contrary to the ethical principles the **Company** intends to follow.

The **Organisational Model** drafted by the **Company** aims to define a preventive control system, intended firstly to plan training and implement the decisions of the **Company** in relation to the risks/**Offences** to be prevented, and consists, in particular, of:

- the **Code of Ethics**, which identifies the primary values with which the **Company** intends to comply and therefore sets the general guidance for the Company's activities;
- an updated, formal and clear organisational system that guarantees an organic allocation of duties and an appropriate level of separation of functions;
- Special Parts and **231 Procedures** which aim to govern the performance of activities, particularly in relation to the processes at risk, providing appropriate control points, as well as the separation of duties between those performing crucial phases or activities within these processes;
- a clear allocation of powers of authorisation and signature, consistently with the organisational and managerial responsibilities;
- control mechanisms, relating firstly to the potential commission of **Offences**, able to promptly report the existence or occurrence of general and/or specific critical situations;
- the diagram of information flows towards the **Supervisory Body** which summarises a minimum perimeter of information (by event or with a defined frequency) which the Company functions are bound to provide to the **Supervisory Body** to ensure that the latter possesses all the data necessary to plan and perform its monitoring and control activities.

7 Recipients

This **Organisational Model** is addressed to:

- senior management, i.e., Chairman, Chief Executive Officer, and other members of the Board of Directors (**Top Management**);
- **Employees** or other persons - whatever the relationship binding them to the **Company** - subject to the management and supervision of one of the above persons;
- all those who, without being functionally bound to the Company by a subordinate or parasubordinated employment relationship, are bound to it by a specific contract by virtue of which they act, even indirectly, on behalf of the Company (hereinafter also "**Third Parties**").

The Company makes recourse to the instruments and resources provided by other companies in the NHOA group on the basis of a contract for the provision of services. The functions of other companies in the NHOA group which provide services to Atlante are identified in **underlined bold italics**.

Compliance with the requirements of the **Legislative Decree**, and compliance with the behavioural principles indicated in the **Code of Ethics**, is also required of the **Third Parties** through the provision – where possible – of specific contractual clauses.

8 Adoption of the Organisational Model by the Company

Atlante – within the framework of the existing preventive control system – has established the activities required to adapt such control system to the provisions of the **Legislative Decree**.

The **Company**, in adopting the **Organisational Model**, has aimed to adopt a set of **Principles of conduct** and operating methods used to plan training and implement decisions in relation to the **Offences** to be prevented, in compliance with the system of allocation of functions and powers, as well as the internal procedures.

The Special Part and the **231 Procedures**, understood as rules to be complied with by the **Recipients**, are in addition to the entire organisational corpus of *Atlante* (procedures, organisation charts and the system of allocation of powers) and are integrated and compatible with these.

The Organisational Model was adopted by the Board of Directors of *Atlante*.

Amendments and integrations to the **Organisational Model** must be approved by the Board of Directors of *Atlante*.

The updating of the **Organisational Model** is periodically checked by the **Supervisory Body**, which reports to the administrative body of the **Company** on any need for amendments and/or integrations.

For non-substantial amendments, the Board of Directors appoints an authorised person, who may make recourse to the opinion of the **Supervisory Body**. These amendments are notified to the Board of Directors, which ratifies them and makes any required amendments or integrations at the first useful meeting. Any pending ratifications do not affect the effectiveness of such amendments adopted in the meantime.

Responsibilities concerning the implementation of the **Organisational Model** are distributed as follows:

1) the Board of Directors:

- examines and approves the updates and revisions of the **Organisational Model** proposed by the **Supervisory Body**;
- appoints the members of the **Supervisory Body** and any replacements when necessary;
- receives periodic information on the suitability and operation of the **Organisational Model**, ensuring that the principal risks are constantly identified and managed appropriately.

2) **Supervisory Body**

- verifies the effectiveness of the **Organisational Model** in order to prevent the commission of offences;
- checks that the Model is updated on the basis of regulatory developments and the developments in the internal structure of the Company;
- periodically notifies the BoD of the results of the checks performed.

3) the **Recipients** of the **Organisational Model**:

- strictly comply with all the provisions of the **Organisational Model**;
- make the **Reports** and ensure the information flows required by the **Organisational Model**;
- facilitate the verification process by the **Supervisory Body**.

9 Identification of Processes at Risk

Art. 6(2) letter a) of the **Legislative Decree** expressly states that the Organizational, Management and Control Model must “*identify the activities in the framework of which offences may be committed*”. Therefore, the **Company** has analysed the corporate activities, training processes and implementation of decisions in the individual business areas and the internal control systems.

In particular, in the framework of these activities, **Atlante**, with the support of external consultants, has:

- a) identified the corporate activities in the framework of which **Offences** may be committed;
- b) analysed the potential risks of offences and any ways of committing them;
- c) identified the persons concerned and the **Company Functions**;
- d) defined and, where necessary, adapted, the internal control system.

10 Identification of activities at risk

At the end of the checks referred to in paragraph “9. *Identification of Processes at Risk*”, the **Company** has identified the business activities and phases thereof in the framework of which the **Offences** may be committed (hereinafter, the “**Processes at Risk**”) in order to:

1. allow the Company to adopt suitable protocols for preventing the offences in the activities deemed at risk; and
2. allow the **Supervisory Body** to identify the activities to focus their inspection activities on.

In order to identify the **Processes at Risk**, the **Company** – with the support of external consultants – has implemented the following activities:

- a) review of the official company documentation;
- b) detailed mapping of the company operations, defined on the basis of the business units of the **Company** and performed using interviews and questionnaires;
- c) detailed analysis of each activity, aiming to verify the precise contents, concrete operating methods, allocation of responsibilities, as well as the existence or otherwise of each of the predicate offences indicated in the **Legislative Decree**.

Specifically, the **Processes at Risk** in which the **Offences** may be committed, are described below:

- Procurement of goods, services and consultancy;
- Procurement of energy;
- Participation in tenders/tender procedures/competitive procedures/direct negotiation procedures;
- Relations with persons from the Public Administration or European Public Bodies;
- Application and management of loans, grants, contributions, soft loans or other similar disbursements;

- Management of gifts;
- Sales activities;
- Research and development (R&D);
- Selection, hiring and management of human resources;
- Selection and management of agents/intermediaries/business developers;
- Management of expense accounts and business expenses;
- Financial and cash flows;
- Administrative-accounting management;
- Drafting of financial statements, reports and company communications;
- Management of tax obligations;
- Management of special transactions;
- Transactions on share capital;
- Intercompany relations;
- Information and communication management;
- Management of assets of landscape and cultural interest or the implementation of related activities;
- Health and safety management system;
- Environmental system management;
- Litigation management;
- IT systems.

With reference to the above-indicated **Processes at Risk**, the following categories of **Offences** may be applicable:

- **offences committed in relations with the Public Administration** (articles 24 and 25);
- **computer crimes and illegal data processing** (art. 24(2));
- **organised crime** (art. 24(3));
- **counterfeiting of money, public credit documents and official stamps** (art. 25(2));
- **offences against industry and commerce** (art. 25(2)1);
- **corporate offences** (art. 25(3));
- **offences against individuals** (art. 25(5));
- **manslaughter and serious or very serious negligent injury** (art. 25(7));
- **possession of stolen goods, laundering and use of stolen money, goods or assets and self-laundering** (art. 25(8));
- **crimes relating to payment instruments other than cash** (art. 25(8)1);
- **copyright offences** (art. 25(9));

- **induction to not make declarations or to make false statements to the judicial authorities** (art. 25(10));
- **environmental offences** (art. 25(11));
- **employment of illegally resident foreign citizens** (art. 25(12));
- **tax offences** (art. 25(15));
- **smuggling** (art. 25(16));
- **transnational offences** (Law no. 146/2006);
- **offences against the cultural heritage** (art. 25(17));
- **laundering of cultural assets and devastation and looting of landscape and cultural assets** (art. 25(18)).

The **Company**, in relation to the business activities undertaken, has deemed sufficient the measures given in the Code of Ethics for the offence of **racism and xenophobia** (art. 25(13)).

The **Company**, in relation to the business activities undertaken, does not deem the following **Offences** to be applicable:

- **crimes of terrorism or subversion of the democratic order** (art. 25(4));
- **female genital mutilation** (art. 25(4)1);
- **market abuse** (art. 25(6));
- **fraud in sports competitions and illegal gambling or betting using forbidden equipment** (art. 25(14)) introduced by Law no. 39/2019.

The **Company** undertakes to continuously monitor its activities, both in relation to the above-listed offences and in relation to potential amendments and integrations of the **Legislative Decree**.

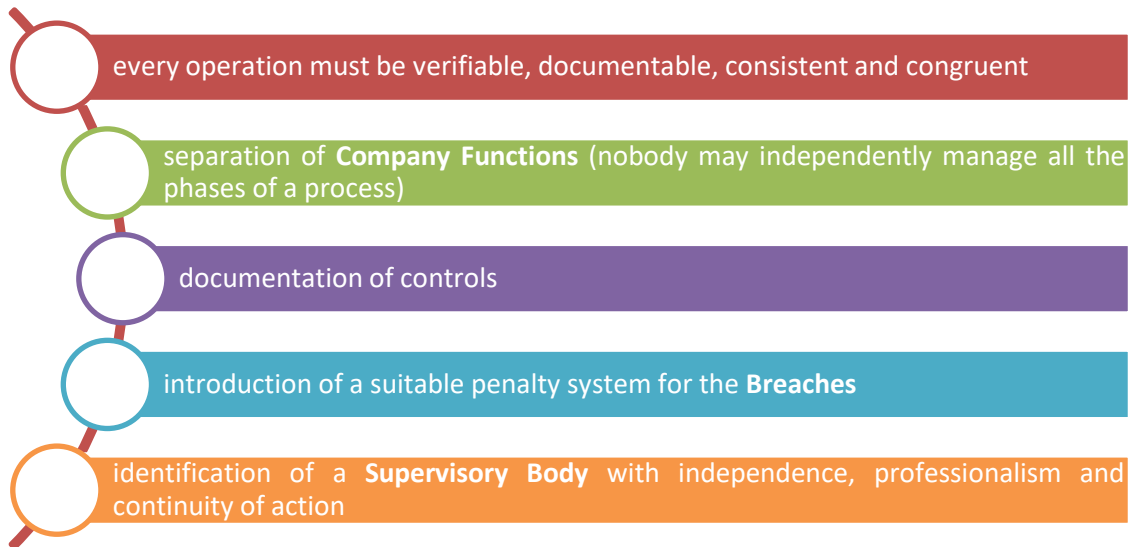
10.1 DESIGN OF ORGANISATIONAL AND PROCEDURAL MECHANISMS

Pursuant to the provisions of art. 6(2) of the **Legislative Decree**, the **Organisational Model** must, inter alia, “establish specific protocols that can guide the process of formulating and implementing the Entity's decisions in relation to the offences to be prevented”.

This provision highlights the need to establish - or improve, where already existing – specific mechanisms to establish management and decision-making procedures, in order to ensure that each phase of the business processes are documented and verifiable.

It therefore appears clear that the set of organisational structures, activities and operational rules applicable – at the indication of the management – in the Company must be established for that specific objective, with the aim of guaranteeing, with reasonable certainty, that the purposes are reached within an appropriate and efficient risk monitoring system, including those of incurring the sanctions provided for by the **Legislative Decree**.

The existing organisational system is inspired by the following principles:



11 Dissemination and Communication

The appropriate training and constant/periodic communication to the staff in relation to the principles and requirements laid down in the **Organisational Model** represent significant factors for the correct and effective implementation of the Company prevention system.

The **Recipients** are bound to be fully aware of both the objectives of correctness and transparency pursued by the **Organisational Model**, and the methods used by the **Company** to pursue them, adopting an appropriate system of controls and procedures.

11.1 INITIAL COMMUNICATION

The adoption of the **Organisational Model** is communicated to all the **Recipients** at the time of adoption.

Any amendment to the **Organisational Model** shall be communicated to the **Recipients**, with an illustration of the amendments, using IT and other mechanisms that prove the effective and aware receipt of the communication.

12 Legal representation of the entity on trial

Given the general and absolute prohibition laid down in art. 39(1) of the Legislative Decree¹, if the legal representative is in a situation of conflict of interests with the Entity as they are investigated/accused of the predicate offence for which the administrative liability of the Company is being ascertained, the defence counsel of the Company within the aforesaid proceedings, to guarantee the Entity the protection of its own right to defence, shall be appointed by another person holding the necessary powers².

¹ "The entity participates in criminal proceedings with its legal representative, unless this is accused of the offence on which the administrative offence depends".

² In compliance with the precepts of recent case law (i.e., Cassation case No. 35387/2022 of 22 September 2022).

13 Supervisory and Control Body

13.1 ROLE OF THE SUPERVISORY BODY

Exemption of administrative liability required the obligatory establishment of body in the entity, with both autonomous control powers (for monitoring the operation and compliance of the **Organisational Model**) and autonomous powers of initiative, to guarantee its constant updating.

The Board of Directors of *Atlante*, implementing the provisions of the **Legislative Decree**, has established the **Supervisory and Control Body**, which is assigned the task of **monitoring the operation and compliance of the Organisational Model**, and ensuring it is updated by formulating suggestions and proposals for the adaptation of the **Organisational Model** to the Board of Directors and the subsequent verification of its their implementation. The **Supervisory Body** of *Atlante* is therefore responsible for the supervision and control activities envisaged by the **Organisational Model**.

The appointment of the **Supervisory Body**, and any revocation (for just cause), are the responsibility of the Board of Directors. The **Supervisory Body** reports directly to the Board of Directors.

In accordance with the provisions of the **Legislative Decree** (articles 6 and 7) and the indications contained in the Report accompanying the **Legislative Decree**, the **Supervisory Body** must have the characteristics of:



1. *Autonomy and Independence*

The autonomy and independence requirements guarantee the effective performance of the tasks and functions assigned to the **Supervisory Body**. For this purpose, the **Supervisory Body** must not be directly involved in the management activities subject to its control activities nor hierarchically subject to those who perform these activities.

This autonomy is understood not only formally but it is necessary that the **Supervisory Body**:

- has effective powers of inspection and control;
- has the possibility to access to the relevant company information;
- has suitable (financial and other) resources;
- can use instruments, supports and experts for the performance of its monitoring activities.

The Supervisory Body must also be guaranteed hierarchical independence: its members must not be directly involved in management activities, nor must they hold managerial functions in the Company which, making them participants in decisions and operational activities, would undermine the objectivity of their judgement during inspections on conduct and on the **Organisational Model**.

The members of the **Supervisory Body** must not be linked to managers of the Entity or the Entity itself by any parental ties, relevant economic interests (e.g., shareholdings) or any situation which could cause even a potential conflict of interests;

2. Professionalism

The **Supervisory Body** must have the technical and professional skills suited to the functions it is called on to perform. These characteristics, along with independence, guarantee the objectivity of judgement.

3. Continuity of action

The **Supervisory Body** must:

- 1 work constantly to monitor the **Organisational Model** with the necessary powers of investigation, also with the support of external consultants;
- 2 ensure the implementation of the **Organisational Model** and its constant updating;
- 3 not perform operational tasks which could compromise the overall vision of the company activities that is required of it.

13.2 COMPOSITION AND APPOINTMENT OF THE SUPERVISORY BODY

The **Supervisory Body** remains in office for the period defined by the Board of Directors at the time of appointment, and can be re-elected.

The replacement of one or more members of the **Supervisory Body** prior to the expiry of office may only occur due to just cause or for justified reasons, which include but are not limited to:

- the voluntary waiver by the **Supervisory Body**;
- incapacity due to natural causes;
- the occurrence of one of the causes of ineligibility, forfeiture, suspension or revocation as referred to in the following paragraph “12.3 Causes of (in)eligibility, revocation, forfeiture or suspension of the Supervisory Body”.

The Board of Directors of the **Company** establishes, for the whole duration of the office, the annual remuneration of the **Supervisory Body**.

The **Supervisory Body** is allocated an annual budget, established by resolution of the Board of Directors, so that the **Supervisory Body** can perform its tasks in a fully independent manner, without limitations which could arise from insufficient financial resources. In any case, the **Supervisory Body** may ask the Board of Directors for additional resources compared to the original allocation, useful for ensuring normal operations and the performance of analyses and investigations deemed necessary to verify the suitability of the **Organisational Model**.

In the cases of forfeiture, suspension or revocation of one of the members of the **Supervisory Body**, the Board of Directors appoints another member.

The **Supervisory Body** is in any case deemed to have expired if, due to resignation or other reasons, the majority of the members are no longer in office. In this case, the Board of Directors appoints the new members.

In the event of the appointment of a **Supervisory Body** with more than one member, the **Supervisory Body** self-regulates through the adoption of a specific Regulation, including rules to

ensure its optimal operation. The adoption of this Regulation is notified to the Board of Directors at the first useful meeting.

13.3 CAUSES OF (IN)ELIGIBILITY, REVOCATION, FORFEITURE OR SUSPENSION OF THE SUPERVISORY BODY

Ineligibility and forfeiture

Without prejudice to the possibility of the Board of Directors to perform the relevant checks as indicated below, the role of members of the **Supervisory Body cannot be held** (and if appointed, they **lose their mandate**) by those who:

- a) have parental relationships up to the 2nd degree or spouse (or co-habitation situations equivalent to spouse) with members of the Board of Directors, or with the **Senior managers** of the **Company**;
- b) have actual or potential conflicts of interest with the **Company** and/or its subsidiaries that compromise the independence required of the role and the specific tasks of the **Supervisory Body**;
- c) directly or indirectly hold interests of such an entity that lead to the control of or significant influence over the **Company**, also pursuant to article 2359 of the Italian Civil Code;
- d) perform administration functions with authorisations or executive positions in the **Company**;
- e) have been barred, disqualified, declared insolvent or sentenced to punishments leading to the even temporary interdiction from public office or the incapacity to hold executive positions;
- f) are subject to personal prevention measures ordered by the judicial authorities, without prejudice to rehabilitation, pursuant to D. Lgs. no. 159 of 6 September 2011, or have been found guilty:
 - i. of one of the offences provided for by the rules governing banking, financial, real estate or insurance activities or by the rules governing markets and securities and/or payment instruments;
 - ii. of one of the criminal offences envisaged in Title XI, Book V of the Italian Civil Code and in Royal Decree 267 of 16 March 1942;
 - iii. of an offence against the public administration, public trust, assets, public order, public economy or a tax offence;
 - iv. and sentenced to imprisonment for no less than two years for any non-negligent criminal offence.
- g) or have been convicted with an irrevocable judgement, unless they have been rehabilitated:
 - o for committing one of the **Offences** referred to in the **Legislative Decree**;
 - o sentenced to imprisonment for one of the criminal offences envisaged in Title XI, Book V of the Italian Civil Code or one of the offences referred to in the bankruptcy law;
 - o sentenced to imprisonment for no less than two years for any non-negligent criminal offence;
- h) have been sentenced in criminal proceedings abroad or other sanctions for crimes

corresponding to those referred to above.

For the purposes of this paragraph, the term “sentence” also includes those sentences delivered under Article 444 of the Code of Criminal Procedure, in any case without prejudice to the effects of the declaratory judgement of extinction of the offence under Article 445, paragraph 2, of the Italian Code of Criminal Procedure.

Persons holding the position of members of the **Supervisory Body** shall sign a self-declaration stating that they are not in any of the above-indicated conditions, explicitly undertaking to notify the Board of Directors of the **Company** of any changes to the contents of such declaration as soon as these occur.

The **Supervisory Body** shall promptly notify the Board of Directors of any causes of forfeiture.

In the event of one of the above causes of forfeiture, the Board of Directors, having completed the appropriate checks, and having heard the person concerned and the other members of the **Supervisory Body**, shall by absolute majority adopt the measures deemed appropriate measures until the declaration of confirmed forfeiture of the member.

The resolution of forfeiture shall be notified to the Shareholders’ Meeting at the first useful opportunity.

Suspension

The following constitute causes for **suspension** of a member of the **Supervisory Body**:

- a) non-final sentence for the **Offences** indicated in letter g) among the causes of ineligibility and forfeiture;
- b) being subject to the provisional application of one of the measures envisaged in Article 10(3) of Law 575 of 31 May 1965, superseded by Article 3 of Law 55 of 19 March 1990, as amended.

In the event of one of the above causes of suspension, the Board of Directors, having completed the appropriate checks, and having heard the person concerned and the other members of the **Supervisory Body**, shall by absolute majority adopt the measures deemed appropriate measures until the declaration of confirmed suspension of the member.

The resolution of suspension shall be notified to the Shareholders’ Meeting at the first useful opportunity.

Revocation

The following constitute causes for **revocation**, by way of example but not of limitation, of a member of the **Supervisory Body**:

- significant breaches of the mandate, in relation to the tasks indicated in the **Organisational Model**;
- breach of the obligations imposed in the **Supervisory Body** Regulation, where adopted;
- failure to attend three or more meetings, even not consecutively, without justification, in a period of twelve consecutive months;
- the occurrence of circumstances that seriously undermine the independence of judgement of the member;
- an irrevocable conviction of the Company pursuant to the **Legislative Decree** or a final conviction that applies the punishment at the request of one of the parties, which indicates in the deeds the “omitted or insufficient supervision” by the **Supervisory Body**, according to the provisions of art. 6(1)d) of the **Legislative Decree**;

- an irrevocable conviction, without prejudice to rehabilitation, or a final conviction which applies the punishment at the request of one of the parties, without prejudice to the extinction of the offence, issued towards one of the members of the **Supervisory Body** for having committed one of the **Offences**;
- the breach of confidentiality obligations.

In the event of one of the above causes of revocation, the Board of Directors, having completed the appropriate checks, and having heard the person concerned and the other members of the **Supervisory Body**, shall by absolute majority adopt the measures deemed appropriate measures until the declaration of confirmed revocation of the member.

The resolution of revocation shall be notified to the Shareholders' Meeting at the first useful opportunity.

In the event that the **Supervisory Body** consists also of **Employees**, the dismissal of the employee who is a member of the **Supervisory Body**, for the whole duration of the office and for six months following termination, in addition to resignation, can only occur for just cause or justified reasons pursuant to law and shall, in the latter two cases, be duly substantiated. Termination of the employment relationship with the **Company** of the internal person, due to any cause, shall also determine the forfeiture of the appointment as member of the **Supervisory Body**, unless otherwise resolved by the Board of Directors.

13.4 VERIFICATION OF THE EFFECTIVENESS AND CONSTANT SUITABILITY OF THE ORGANISATIONAL MODEL AND THE INTERVENTION PLAN

The **Supervisory Body** shall periodically check the effectiveness and suitability of the **Organisational Model** in preventing the commission of the offences referred to in the **Legislative Decree**. In particular, the following are envisaged:

- 1 checks on single acts - for this purpose it will periodically check the acts and contracts relating to processes at risk, in the identified methods;
- 2 checks on the Special Part and the 231 Procedures - for this purpose it will periodically check the effectiveness and implementation of the Special Part and the **231 Procedures** of this **Organisational Model**;
- 3 checks on the level of knowledge of the **Organisational Model** also by analysing requests for clarification or **Reports** received;
- 4 periodic updating of the Risk Assessment activities aiming to revise the map of activities potentially at risk, in particular in the presence of changes to the organisation or the business of the **Company**, as well as amendments to the **Legislative Decree**.

For the purpose of the planned exercise of the assigned supervisory powers, the **Supervisory Body** annually submits to the Board of Directors its Intervention Plan, informing the Board of the activities it plans to perform and the areas subject to inspections. The **Supervisory Body** may in any case perform, within the sensitive company activities and if it deems necessary in order to perform its functions, controls that were not envisaged in the Intervention Plan (so-called "surprise controls").

In the implementation of the Intervention Plan, the **Supervisory Body** adopts procedures useful for the performance of their supervisory and control activities, which shall be notified to the functions concerned, and may establish working groups for specific issues. In particular

circumstances (e.g., the emergence of previous **Breaches**), the **Supervisory Body** shall systematically apply procedures to research and identify the analysed risks.

In particular, it may ask to consult the documentation relating to the activity performed by individual business units and persons in charge of processes at risk being checked and/or inspected, making copies where necessary and conducting interviews and requesting, if necessary, written reports. During these operations, it shall keep the manager of the business unit concerned constantly informed.

Following the inspections conducted, the **Supervisory Body** may send any comments and/or suggestions to the manager.

The activity carried out by the **Supervisory Body** shall be documented, even in summary form. The related documentation shall be stored by the **Supervisory Body**, in a manner that ensures its confidentiality, also in compliance with the laws on the protection of personal data.

Following the inspections conducted, any regulatory changes that may have occurred or the identification of new processes at risk, the **Supervisory Body** proposes any adjustments and updates to the **Organisational Model** they deem appropriate to the Board of Directors.

For inspections, the **Supervisory Body** may use external consultants with appropriate expertise.

12.4.1 INFORMATION FLOWS TO THE SB

For the purposes of the effective supervision of the implementation of the **Organisational Model** the **Recipients**, in relation to their own roles and responsibilities, are required to submit information flows to the **Supervisory Body** as indicated in the **Organisational Model** and summarised in Annex 3 “*List of Information Flows towards the Supervisory Body*” (hereinafter, “**Information flows**”).

The **Information flows** may be forwarded in the following ways:

- to the e-mail address: odv@atlante.energy
- to the postal address:
FAO the Supervisory Body of Atlante S.r.l.
Piazzale Lodi, 3
20137, Milan

In any case, the **Supervisory Body** has all the powers conferred pursuant to the **Organisational Model** to request any information, data, document, or news from the **Recipients** at any time. The **Recipients** shall promptly provide anything requested to the **Supervisory Body**.

In addition, all information and news which pursuant to the **Organisational Model** may be considered relevant must be promptly submitted to the **Supervisory Body**.

In addition to the **Information flows** as indicated in the **Organisational Model**, the **Top Management** is bound to notify to the **Supervisory Body**:

- a. any changes in the purpose or system of authorisations or the organisational structure of the **Company**;

- b. special business transactions of the **Company**;
- c. any new business activities;
- d. any relevant information on the compliance, operation and updating of the **Organisational Model**.

12.4.2. FILING

All **Information flows** sent to the **Supervisory Body** are processed and stored by the **Supervisory Body** in a specific IT and/or hard copy archive held in compliance with the provisions of Regulation (EU) 2016/679 on the protection of personal data (GDPR).

13.5 REPORTED BREACHES - WHISTLEBLOWING

The **Recipients** of the **Organisational Model** deciding to **Report a Breach** to the **Supervisory Body** shall comply with the methods described in the following paragraphs.

12.5.1 SUBJECT OF THE REPORT

The Report must relate to circumstances of relevant unlawful conduct, based on precise, concordant elements of fact, or **Breaches** the **Whistleblower** became aware of by virtue of the function performed.

12.5.2 CONTENTS AND REPORTING METHODS

The **Whistleblower** shall provide all the useful elements to allow the **Supervisory Body** to proceed with the due, appropriate checks to confirm the validity of the **Reported** facts.

For this purpose, the **Report** should preferably contain the following elements:

- the details of the person submitting the **Report** with an indication of their position or function in the company;
- a clear and complete description of the **Reported** facts;
- if known, the time and place in which the offences were committed;
- if known, the details and other elements (e.g., the position and the service in which the activities are carried out) used to identify the person committing the **Reported** facts;
- the indication of any other persons who may refer on the **Reported** facts;
- an indication of any documents which may confirm the validity of such facts;
- any other information which may offer a useful confirmation of the existence of the reported facts.

In the event of anonymous **Reports**, the **Supervisory Body** reserves the right to assess whether to take them into consideration on the basis of the seriousness of the reported facts and in relation to the level of detail and precision of the contents of the **Report**.

The **Reports** may be forwarded in the following ways:

- via the “Integrity Line” reporting platform, accessible from the Company website and intranet;
- to the e-mail address: ethics-compliance@nhoa.energy or odv@nhoa.energy
- to the postal address:
FAO the Supervisory Body of Atlante S.r.l.
Piazzale Lodi, 3
20137, Milan
- by verbal communication to the Ethics and Compliance Officer or the Supervisory Body of Atlante S.r.l.

These channels guarantee the confidentiality of the identity of the **Whistleblower** in the management of the **Report**.

12.5.3 VERIFICATION OF THE VALIDITY OF REPORTS

All **Reports** are subject to a preliminary analysis by the **Supervisory Body** which, in order to assess their validity, checks the presence of useful data and information.

The **Supervisory Body** verifies the matter in compliance with the principles of impartiality and confidentiality, within the inspection and control powers provided for by the **Organisational Model**, checking all activities deemed appropriate, including an interview with the **Whistleblower**, where known, and any relevant **Company Functions**.

If on conclusion of the preliminary analysis, it emerges that:

- there are insufficient circumstantial facts or that the **Report** is unfounded, the **Supervisory Body** archives the **Report**, informing the **Whistleblower**;
- the **Report** is valid, the **Supervisory Body**, in relation to the nature of the **Report**, will:
 - I. issue recommendations for corrective actions;
 - II. propose, in compliance with the provisions of the **Disciplinary System** referred to in the following paragraph “12.5.4 Filing”, disciplinary and/or contractual measures for the persons involved in the **Reported** facts;
 - III. promptly inform the line manager of the person who has committed the **Breach**, the Board of Directors for the adoption of appropriate steps.

If the **Breach** is particularly serious or concerns the **Top Management**, the **Supervisory Body** informs the Board of Directors, where appointed, and, if required, informs the shareholders of the **Company**.

In the management of **Reports**, the **Supervisory Body** acts with full confidentiality, in order to guarantee the whistleblowers against any retaliation, discriminatory and/or penalising conduct, linked – directly or indirectly – to the **Report** itself, which is explicitly forbidden and subject to the sanctions laid down in the **Disciplinary System**, ensuring the secrecy of the identity of the **Whistleblower** (unless where required by law).

If the **Breach** concerns one or more members of the **Supervisory Body**, the **Report** must be forwarded to the Board of Directors for appropriate assessments.

12.5.4. FILING

All **Reports**/communications sent to the **Supervisory Body** are processed and stored by the **Supervisory Body** in a specific IT and/or hard copy archive held in compliance with the provisions of Regulation (EU) 2016/679 on the protection of personal data (GDPR), the access to which is permitted only to persons specifically authorised by the **Supervisory Body**. The same confidentiality applies to the data of the **Supervisory Body** in the IT system and in any case to all information in its possession.

It is noted that only the **Supervisory Body** shall have access to these communications, and undertakes to use them solely for the verification purposes related to the function held.

13.6 INFORMATION FROM THE SUPERVISORY BODY TO THE COMPANY BODIES

The **Supervisory Body** reports directly to the Board of Directors in relation to the issues concerning the **Organisational Model**.

The **Supervisory Body** informs, also in writing, the Board of Directors in relation to the application and effectiveness of the **Organisational Model** at least annually (indicating in particular the controls effected and the results thereof, as well as any updates to the processes at risk), or at other times in reference to specific or significant situations.

The **Supervisory Body** may be convened by the Board of Directors to report on its activities and may request to confer with it.

The **Supervisory Body** may also ask to be heard by the Board of Directors whenever it deems appropriate to promptly report on **Breaches** of the **Organisational Model** or request attention to critical issues relating to the operation of and compliance with the **Organisational Model** itself. In the event of necessity and/or urgency the **Supervisory Body** may confer directly with the Chairman or CEO of the Board of Directors.

The **Supervisory Body** is responsible for providing appropriate clarifications in the event of difficulties in the interpretation of or queries relating to the **Organisational Model**.

14 Methods of Managing Financial Resources

Article 6, paragraph 2 letter c) of the **Legislative Decree** requires the identification of methods of managing financial resources that are suitable for preventing the commission of the **Offences**. Therefore, in order to govern, for each individual type of transaction, the persons involved and the related powers, the instruments adopted and the connections with the administrative/accounting system, as well as the adoption of the Special Part of the **Organisational Model**, the **Company** deemed it appropriate to integrate the following **231 Procedures**:

- Engie_EPS_Management of financial flows - P_FIN_1_1;
- Engie_EPS_Accounts, book-keeping, tax compliance;
- Engie_EPS_Annual Report and Reporting Package - I_ACC_B_1_1.

15 Training and Communication in relation to the Contents of the Model

14.1 TRAINING AND INFORMATION TO STAFF RELATING TO THE ADOPTED ORGANISATIONAL MODEL

14.1.1. TRAINING

In order to effectively implement the **Organisational Model**, the **Company function** Human Resources of the **Company**, in coordination with the **Company functions** Legal Ethics&Compliance and HSE, drafts an annual training plan for the members of the company bodies, the **Employees**, **Third Parties** working directly in the **Company** facilities and any agents of the **Company**.

In particular, the training will cover the **Organisational Model** as a whole, the **Code of Ethics**, the operations of the **Supervisory Body**, the information flows towards the Supervisory Body and the **Disciplinary System**, the **231 Procedures** laid down in the **Organisational Model**, as well as issues relating to the predicate offences implying liability pursuant to the **Legislative Decree**.

Where necessary, the training will be designed to provide its users with suitable tools that fully comply with the provisions of the **Legislative Decree** in relation to the operations and tasks of the **Recipients** of the training.

Training is differentiated in its contents and delivery methods, on the basis of the **Recipients'** position, the level of risk of the area in which they work, and whether or not they legally represent the **Company**.

On recruitment of the **Employees**, and the start of the relationship with **Third Parties** working mainly in the premises of the **Company**, and the appointment of collaborators and agents, an information set shall be provided to ensure the essential primary knowledge for working in the **Company** (see following paragraph).

The **Supervisory Body** is informed by the relevant **Company function** on the training programme and checks its suitability and effective implementation. The targeted training initiatives may also be delivered remotely using computer resources.

The participation of **Employees** and members of the company bodies in the training activities is mandatory. The Human Resources **Company function** documents the participation of **Employees** and collaborators in the training activities and makes the related documentation available to the **Supervisory Body** as part of the controls performed by the body.

Suitable communication tools, if necessary in addition to sending updates by e-mail, will be adopted to update the members of the company bodies and the **Employees** on any amendments made to the **Organisational Model**, as well as any relevant procedural, regulatory or organisational changes.

14.1.2 COMMUNICATION

All members of the company bodies, every **Employee** and **Third Party** working mainly on the company premises is required to:

- i.* become familiar with the contents of the **Organisational Model**;
- ii.* know the operating methods applied to their own activities;

- iii. actively contribute, in relation to their own position and responsibilities, to the effective implementation of the **Organisational Model**, reporting any shortcomings noted.

In order to guarantee the effective and rational communication, the **Company** promotes and facilitates the knowledge of the contents of the **Organisational Model** by the **Employees**, with a diversified level of detail according to the degree of involvement in the sensitive activities, as identified in the Special Part of the **Organisational Model**.

Information to members of the company bodies, **Employees** and **Third Parties** working mainly on the company premises in relation to the contents of the **Organisational Model** is ensured by:

- delivering, or in any case making available the **Organisational Model** and its related annexes, including the **Code of Ethics**, at the time of recruitment/granting of the appointment, also in digital form;
- information e-mails, also for the periodic sending of updates to the **Organisational Model**;
- dissemination of the **Organisational Model** and the **Code of Ethics** on the Company website, in a specific area.

The responsibility for the dissemination of the **Organisational Model** and the related updates lies with the head of the Human Resources **Company function**. In particular, this **Company function** also sends documentation to the **Recipients** by e-mail, and through the same channel received the related confirmation of receipt from each **Recipient**. The **Supervisory Body** checks that the relevant **Company functions** ensure the correct dissemination of the **Organisational Model** and the related updates.

All members of the company bodies (directors and auditors, where appointed) and **Employees** are required to fill in a declaration in which they acknowledge the **Organisational Model** and undertake to comply with its provisions.

14.2 Communication to Third Parties working mainly on the company premises (“External parties”)

The communication of the main inspiring principles of the **Organisational Model**, as summarised in the **Code of Ethics**, is also addressed to those **Recipients** of the **Organisational Model** who hold contractual relations with the **Company**, but who are not **Employees**, **Third Parties** working mainly in the company premises or members of the company bodies.

For this purpose, the **Company function** of the **Company** requesting the services of the **External party**, at the time of signing the related contract, provides the latter with a copy of the **Code of Ethics** and asks them to complete a declaration in which the **External party**, acknowledging the contents of the **Code of Ethics**, undertakes to comply with its provisions, otherwise the contract with the **Company** will be terminated.

14.3 Defence of the entity and appointment of the defence counsel

Consistently with the provisions of art. 39(1) of D.Lgs. 231/2001, if legal proceedings are initiated towards the Company pursuant to D.Lgs. 231/2001, the defence counsel shall be appointed by a person holding the necessary powers, having verified any conflicts of interests with the Company. In these cases, the defence counsel may not be appointed by a person

investigated/accused of the Offence or of the Offences relating to the administrative offences by the entity.

SECTION III

15. DISCIPLINARY SYSTEM

15.1 Principles

The introduction of a suitable penalty system, with sanctions proportionate to the severity of the breach in relation to the infringement of the rules laid down in the organisation, management and control model by the recipients, therefore represents a fundamental requirement for the full effectiveness of the organisational, management and control model itself. Articles 6(2)e) (Senior Managers) and 7(4)b) (Subordinates of others) of the **Legislative Decree** expressly state that the adopted organisational, management and control model must introduce “a disciplinary system suitable for sanctioning the failure to comply with the measures indicated in the model”.

The rules laid down in the **Organisational Model** are assumed by the **Company** in a fully independent manner, in order to ensure the complete compliance with the precept incumbent on the company, therefore the application of the sanctions, even in full application of the preceding rules of the laws in force, is independent from the criminal relevance of the conduct as well as the initiation of any criminal proceedings by the Judicial Authorities, if the conduct in question is an offence, whether relevant or not pursuant to the **Legislative Decree**. The sanctions may therefore apply even if the **Recipients** have exclusively committed a **Breach** which is not considered an **Offence** or does not determine the direct responsibility of the **Company**.

It is specified that the offences which may lead to the application of the sanctions described in the following paragraphs, include the breaches of the protection of **Whistleblowers**, and anyone who wilfully or with negligence make **Reports** that are found to be ungrounded, pursuant to art. 6(2)2d) of the **Legislative Decree**.

Disciplinary proceedings are initiated by the Human Resources **Company function** independently of the initiation or outcome of any criminal proceedings for the same disputed facts. And indeed, by means of this document the **Company** intends to prevent the commission of predicate offences, therefore sanctioning any conduct that even abstractly and/or potentially may be in preparation to or instrumental to the commission of the said offences, independently of the actual commission of the offence.

The disciplinary measures applied do not exempt the **Recipients** from any civil or criminal liability.

The disciplinary measures shall be implemented promptly and immediately and, where appropriate, also concern the persons responsible for not having discovered a **Breach** due to negligence.

Having discovered a breach, the **Company** adopts suitable measures to prevent future **Breaches**.

The provisions of the **Disciplinary System** do not preclude the right of the **Recipients** to exercise all rights, including that of disputing or objecting to any disciplinary measures, or recourse to arbitration, as recognised by laws or regulations, as well as by collective bargaining and/or company regulations.

For any matters not envisaged in this **Disciplinary System**, legislative provisions as well as the collective bargaining provisions and the company regulations, where applicable, shall apply. In

any case, the identification and application of sanctions must take into account the principles of proportionality and adequacy with regard to the alleged **Breach**.

The **Company** notifies all **Recipients** of the **Organisational Model** about the **Disciplinary System** applicable to any **Breaches** thereof. Every new hire, whether permanent or fixed-term, receives a copy of the applicable collective bargaining contract. The disciplinary measures relating to sanctions, infringements in relation to which each of them may be applied and the related opposition procedures are notified to workers by notices published in an accessible position for everyone (company intranet).

15.2 Recipients of the Disciplinary System

The recipients of the **Disciplinary System** are:

- the **Top Management**, as these persons have specific responsibilities relating to the compliance of the **Organisational Model**, related to their respective institutional functions and tasks;
- the **Employees**, recalling that the compliance with the rules contained in this **Organisational Model** shall be considered an essential part of the contractual obligations of the **Employees** of the **Company** pursuant to and by effect of art. 2104 of the Civil Code (Due Diligence of Workers);
- the members of the **Supervisory Body** and the Auditing Company, who are bound to comply with the rules and principles of the **Organisational Model** during their performance, on behalf of the **Company**, of the activities reserved specifically by law for them. Furthermore, the normative provisions concerning whistleblowing apply to the **Supervisory Body**;
- **Third Parties**, towards whom the effectiveness of the **Organisational Model** and this **Disciplinary System** are assured by the inclusion of specific clauses in the contracts concluded with them by the **Company**. The **Breach** may therefore constitute a breach of contractual obligations, with all related legal consequences, also in relation to the termination of the contract and/or the appointment, and may lead to compensation for damages caused to the **Company**.

15.3 Relevant conduct

For the purposes of this **Disciplinary System**, relevant conduct refers to any actions or behaviour that constitute a **Breach**.

Relevant conduct includes, but is not limited to, the following breaches:

- 1) failure to comply with the rules of the Code of Ethics and/or the **Principles of conduct**;
- 2) failure to comply with the **Organisational Model**, whether a breach that constitutes an attempt to commit one of the **Offences**, or a breach aiming to commit one of the **Offences**, or in any case if there is a risk that the liability of the **Company** may be disputed pursuant to the **Legislative Decree**;
- 3) failure to comply with the **231 Procedures** and the methods of documentation, storage and control of the deeds relating to the **231 Procedures** of the **Organisational Model**, in a manner that prevents the transparency and verifiability of these;
- 4) breach and/or circumvention of the control system in force by means of the subtraction, destruction or alteration of the documentation required by the **231 Procedures** of the **Organisational Model** or by hindering the control of or access to information and

- documentation by supervisors, including the **Supervisory Body** or failing to cooperate in any way with the **Supervisory Body** in the performance of its functions;
- 5) failure to comply with the provisions concerning powers of signature and the authorisation system;
 - 6) failure by hierarchical superiors to monitor the conduct of their staff in relation to the correct and effective application of the principles contained in the **231 Procedures** laid down in the **Organisational Model**.

Furthermore, the sanctions provided for in this **Disciplinary System** may also be applied to breaches of the provisions of art. 6(2)2 of the **Legislative Decree**, in relation to **Reports** of unlawful relevant conduct pursuant to the **Legislative Decree**, or breaches of the **Organisational Model**.

In particular, the following conduct may be sanctioned:

- wilful misconduct or negligence in **Reports** that are found to be ungrounded;
- direct or indirect retaliation or discriminatory behaviour by the **Top Management** or the **Employees** towards **Whistleblowers** for reasons linked directly or indirectly to the **Report**;
- breaches of the protection measures for **Whistleblowers** in relation to the right to confidentiality;
- Reported persons found to be responsible for the Reported facts.

15.4 General criteria for the application of sanctions

In the event of the commission of relevant conduct as referred to in paragraph 15.3 above, the type and extent of the sanctions applied shall be proportionate to the following general criteria:

- severity of the breach;
- level of hierarchical and/or technical responsibility of the author of the breach;
- subjective nature of the conduct (distinction between wilful conduct and negligence);
- relevance of the breached obligations;
- consequences for the **Company**;
- any mutually concerted liability;
- aggravating or attenuating circumstances with particular reference to professionalism, previous work performance, previous disciplinary action and the circumstances in which the act was committed.

The severity of the breach will be assessed on the basis of the following circumstances:

- a) the times and concrete methods of the breach;
- b) the presence or extent of any intentionality;
- c) the extent of the damage or risk as a consequence of the breach for the **Company** and for the **Employees**;
- d) the foreseeability of the consequences;
- e) the circumstances in which the breach took place.

If with only one act more than one breach is committed, punishable with different sanctions, the most severe sanction may be applied.

15.5 Procedure for levying sanctions

In the case of the commission of relevant conduct as referred to in paragraph 15.3 above, the procedure for the application of sanction begins, depending on the person presumed to have

breached the **Organisational Model** and the person who was materially informed of the presumed **Breach**):

- a) at the initiative of the **Supervisory Body**, which sends to the company bodies in charge as indicated below, a notification reporting a presumed breach of the **Organisational Model**. More specifically, in all cases in which it receives a Report (anonymous or otherwise) or, during its supervisory and inspection activities, obtains elements indicating the risk of a breach of the **Organisational Model**, the **Supervisory Body** carries out the required checks and, in the event of a breach, reports this and the related acquired elements to the company bodies in charge as indicated below; or
- b) at the initiative of the Senior Managers, jointly or severally, also in accordance with the related authorisation system in force, if the presumed breach of the **Organisational Model** refers to the **Supervisory Body** or one of its members or a Third Party; or
- c) at the initiative of the Human Resources **Company function**, in coordination with the **Supervisory Body**, if the presumed breach of the **Organisational Model** is discovered by this function, or when the presumed breach is reported to it (also anonymously); in this case the Human Resources **Company function** is obliged to initiate the disciplinary proceedings towards the persons it deems have breached the **Organisational Model**. The initiative of the Human Resources **Company function** is assumed if the presumed breach of the **Organisational Model** is committed by an **Employee**, including managers.

15.5.1 BREACHES REFERRING TO SENIOR MANAGERS

If the presumed breach of the **Organisational Model** is found to have been committed by a **Senior Manager**, who is not linked to the **Company** by a subordinated employment relationship, the **Supervisory Body** submits a report to the Board of Directors that:

- gives a description of the conduct complained of;
- states which of the provisions of the **Organisational Model** have been breached;
- gives the particulars of the person responsible for the **Breach**;
- references any documents attesting to the **Breach** and/or other elements found;
- recommends an appropriate sanction to be imposed.

The Board of Directors promptly convenes the member indicated by the **Supervisory Body** for a hearing as soon as possible, in any case held no later than thirty days following the receipt of the report. The notice must:

- be in writing;
- specify the conduct alleged and the provisions of the **Organisational Model** that are deemed to have been breached;
- notify the person concerned of the date of the meeting, alerting him/her of the entitlement to make oral and/or written observations or submissions.

Based on the information obtained, the Board of Directors determines the appropriate sanction, and if it disagrees with the **Supervisory Body**'s proposal to this end, it must justify this. If the sanction deemed applicable consists in the revocation of the appointment, or in any case when deemed appropriate in relation to the measures to be adopted, the Board of Directors convenes the Shareholders' Meeting of the **Company** for the related resolutions.

In all instances in which the **Breach** is by a Director linked to the **Company** also by a subordinated employment relationship, the procedure described in paragraph 15.5.2 below, or, in the case of a management relationship, in paragraph 15.5.3 below, shall be implemented. If this procedure

results in the sanction of dismissal, the Board of Directors will promptly convene the General Meeting to pass a resolution to remove the director in question from office.

15.5.2 BREACHES REFERRING TO EMPLOYEES

If the **Supervisory Body** or the Human Resources **Company function** (depending on the party that was materially informed of the presumed **Breach**) note the **Breach** by an Employee (excluding Managers), the disciplinary proceedings referred to in art. 7 of the Workers' Statute, as well as the collective bargaining contract for employees in the metal engineering sector (Industry) shall apply. In particular, if the **Supervisory Body** has noted the **Breach** it will send a report to the Human Resources **Company function** that:

- gives a description of the conduct complained of;
- states which of the provisions of the **Organisational Model** have been breached;
- indicates the name and position of the Employee responsible for the conduct;
- references any documents attesting to the **Breach** and/or other elements found;
- proposes the sanction applicable to the reported conduct.

Promptly following the receipt of the report from the **Supervisory Body** or having noted the **Breach**, the Human Resources **Company function** challenges the conduct towards the Employee concerned, sending them a specific letter of disciplinary action pursuant to art. 7 of the Workers' Statute:

- containing the precise indication of the alleged conduct and the provisions of the **Organisational Model** subject to the **Breach**;
- notifying of the faculty to formulate written conclusions and/or justifications within five days following receipt of the letter, and to request the intervention of the representative of the trade union the Employee is a member of or to whom they issue a mandate.

Following any justifications formulated by the Employee concerned and taking these into account, the Human Resources **Company function** imposes the disciplinary measures in compliance with the law, as well as the provisions of the collective bargaining contract and the company regulations, where applicable.

The **Supervisory Body**, which is notified of the disciplinary measures, checks that they are applied.

Failure on the part of **Employees** (not managers), to comply with the provisions of the **Code of Ethics** and the provisions of the **Organisational Model** may, depending on the severity of the breach, lead to the application of the following measures:

- a) verbal reprimand;
- b) written reprimand;
- c) a fine of not more than three hours' pay calculated on the minimum wage;
- d) suspension from work and from pay up to a maximum of three days;
- e) dismissal without notice.

15.5.3 BREACHES REFERRING TO MANAGERS

If the **Supervisory Body** or the Human Resources **Company function** (depending on the party that was materially informed of the presumed **Breach**) note the **Breach** by a Manager, the disciplinary proceedings referred to in art. 7 of the Workers' Statute, in compliance with the

provisions of the collective contract for Industry Managers, shall apply. In particular, if the **Supervisory Body** has noted the **Breach** it will send a report to the Human Resources **Company function** that:

- gives a description of the conduct complained of;
- states which of the provisions of the **Organisational Model** have been breached;
- indicates the name and position of the manager responsible for the conduct;
- references any documents attesting to the **Breach**;
- proposes the sanction applicable to the reported conduct.

Promptly following the receipt of the report from the **Supervisory Body** or having noted the **Breach**, the Human Resources **Company function** challenges the conduct towards the manager concerned, sending them a specific letter of disciplinary action pursuant to art. 7 of the Workers' Statute containing:

- containing the precise indication of the alleged conduct and the provisions of the **Organisational Model** subject to the **Breach**;
- the notification of the faculty to formulate written conclusions and/or justifications within five days following receipt of the letter.

Concerning managers, considering the specific relationship of trust with the employer, in the event of the commission of relevant conduct the Human Resources **Company function** – also where notified by the **Supervisory Body** – shall take measures towards the persons responsible deemed suitable in relation to the **Breaches** committed, in compliance with the provisions of the applicable national collective bargaining contract, considering that these also constitute a breach of the obligations imposed by the employment relationship.

15.5.4 BREACHES REFERRING TO MEMBERS OF THE SUPERVISORY BODY

If a presumed **Breach** or a breach of the confidentiality of the identity of the **Whistleblower** is found to have been committed by one or more members of the Supervisory Body, the other members of the **Supervisory Body** immediately inform the Chairman of the Board of Directors or the Chief Executive Officer, who promptly convenes the Board of Directors to ensure that the appropriate measures are taken. It is understood that the member of the **Supervisory Body** involved in the disciplinary measures shall be analytically challenged with the presumed breaches they are accused of, and shall be guaranteed appropriate defence instruments. The same procedure described above also applies to the case in which the Chairman of the Board of Directors or the Chief Executive Officer become aware of any relevant disciplinary matters directly and/or via persons outside the **Supervisory Body**.

15.5.5 BREACHES REFERRED TO THIRD PARTIES, INCLUDING ANY APPOINTED AUDITORS AND AUDITING COMPANIES

If the **Breach** relates to a **Third Party**, an auditor – where appointed - or the Auditing Company, the **Supervisory Body** or person (Chief Executive Officer or representative) authorised to stipulate, amend or terminate the contractual relationship in question (the “**Director**”) sends a report to the Legal Ethics&Compliance **Company function** that:

- gives a description of the conduct complained of;
- states which of the provisions of the **Organisational Model** have been breached;
- gives the particulars of the person responsible for the **Breach**;
- references any documents attesting to the **Breach** and/or other elements found;

- recommends an appropriate sanction to be imposed.

Promptly, following the receipt of the report by the **Supervisory Body** or the Director, the Legal Ethics&Compliance **Company function** sends a written report to the Third Party concerned containing an indication of the challenged conduct and the provisions of the **Organisational Model** to which the **Breach** refers as well as the applicable contractual remedy envisaged.

After any defence submitted by the Third Party, and in any case no later than 30 days following the written notice referred to in the above paragraph, the **Company function** Legal Ethics&Compliance resolves on the determination and practical application of the measure.

All conduct by **Third Parties** in breach of the **Organisational Model** may lead, depending on the specific contractual clauses included in the letters of appointment or agreements, as well as the related general rules in force, to the termination of the contractual relationship, without prejudice to any requests for compensation for damage if such conduct has caused damage to the **Company**.

ANNEXES

INCLUDE THE LIST OF ANNEXES

Annex 1 - Catalogue of Offences and Administrative Offences

Annex 2 - Code of Ethics

Annex 3 - List of Information Flows towards the Supervisory Body