ORGANISATION MANAGEMENT

AND CONTROL MODEL

APPROVED BY THE BOARD OF DIRECTORS
AT ITS MEETING OF 9 MARCH 2018
AND SUBSEQUENTLY AMENDED ON:
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Contents

DEFINITIONS

1. **Sensitive activities**: corporate activities in the context of which there may be a risk of one of the offences expressly referred to in Legislative Decree 231/01 being committed;
2. **Board:** the Board of Directors;
3. **Code of Ethics**: an official document setting out the series of ethical and social principles established by the Entity that must be complied with by those working within the organisation;
4. **Decree**: Legislative Decree No. 231 of 8 June 2001, as amended;
5. **Persons concerned**: senior managers and their subordinates, together with all persons who are functionally connected to TIP and to whom the provisions of this Organisation, Management and Control Model apply;
6. **Risk management**: the maieutic process that the Company implements internally in the most appropriate manner, taking as its reference its internal operating context (organisational structure, size, etc.) together with its external/economic sector, geographical area, etc.);
7. **Guidelines**: the Guidelines issued by *Confindustria,* the Confederation of Italian Industry, in its most recent version (June 2021);
8. **Model**: this Organisation, Management and Control Model (in its General and Special Parts);
9. **Organisational chart**: a graphic representation of the Company's organisational structure.
10. **Supervisory Board**: The body provided for in Legislative Decree 231/2001, with the function of supervising the operation of and compliance with the Model and its updating;
11. **Prevention protocols**: protocols for planning the formation and implementation of the Company's decisions with regard to sensitive activities, in order to prevent predicate offences;
12. **Predicate offences**: the specific offences identified by the Decree which may give rise to the administrative liability of the Entity, as well as, insofar as they are comparable, the specific administrative offences for which provision is made for the application of the rules contained in the same Decree.
13. **Retaliation**: direct or indirect retaliatory or discriminatory acts against a person who reports an offence or irregularity committed in the workplace, for reasons related directly or indirectly to the reporting;
14. **Whistleblower**: a natural person who makes a public denunciation or disclosure of information on violations learned of in the course of his or her professional activity;
15. **Reported person**: the person to whom the whistleblower attributes the perpetration of the unlawful act/irregularity that has been reported;
16. **Reporting**: written or oral communication of information on violations;
17. **Anonymous reporting**: any report in which the identity of the whistleblower is not made clear and cannot be traced;
18. **Reporting (Channels)**: channels that are capable of protecting, including by computerised methods, the confidentiality of the whistleblower's identity; Of the various reporting channels available, the Entity has adopted the written reports channel, which offers the option of sending a report using the "Whistleblowing reports" dedicated portal, the recipient of which is an external lawyer appointed by the Entity for the task.
19. **Notification (Receiver)**: the person or Company body that receives reporting and is responsible for its analysis and verification;
20. **Disciplinary system**: a system of sanctions, with a preventive function, to safeguard any violations of the provisions of the Code of Ethics, the Model and the protocols contained therein;

21. **Senior management**: persons who hold positions of representation, administration or management of the Company or of one of its units possessing financial and functional autonomy, or who exercise, including on a *de facto* basis, the management and control of the Company;
22. **Subordinates**: persons subject to the management or supervision of a member of senior management, whether they are employees, contractors or external consultants, even if only on an occasional basis and even where there is no subordinate relationship;
23. **Tamburi Investment Partners S.p.A.:** TIP, the Company;
24. **Whistleblowing**: the reporting of unlawful conduct, violations of national or European Union legislation that affect the public interest or the integrity of the public administration or of a private entity, of which the persons (Whistleblowers) have become aware in the course of their work in the company or in other circumstances.

GENERAL PART

SECTION I

THE LEGISLATIVE FRAMEWORK

1. Introduction

Legislative Decree No. 231/2001 (hereinafter also the "Decree"), setting out the "Rules governing the administrative liability of legal entities, companies and associations, including those without legal personality, pursuant to Article 11 of Law no. 300 of 29 September 2000", introduces and governs in our legal system the liability of entities for administrative offences arising from a criminal offence.

The entities to which the Decree applies are:

- entities with legal personality
- societies and associations, including those without legal personality
- public economic bodies
- private entities that are concessionaires of a public service
- companies controlled by public administrations.

However, the Decree does not apply to the State, to territorial public bodies, non-economic public bodies, or entities that perform functions of constitutional importance (such as, for example, political parties and trade unions).

On the basis of this legislation, the Company is liable for the perpetration or attempted perpetration of certain offences which are expressly provided for in the Decree, on the part of persons who are functionally linked to it, i.e. "senior" or "subordinate" persons, such as employees or contractors.
More specifically, the liability of the Company can only exist in relation to a predicate offence committed by one of the following persons:
persons who hold positions of representation, administration, or management of the Company or of one of its organisational units possessing financial and functional autonomy and who exercise, including on a *de facto* basis, management and control over TIP. These are persons who, in view of the functions they perform, are referred to as "top management";
persons under the management or supervision of senior management.

However, the Company may be exempt from this liability if:
it has adopted and effectively implemented an Organisation, Management and Control Model (hereinafter also referred to as the "Model") that is capable of preventing the offences provided for in the Decree;
a Supervisory Board (hereinafter also referred to as the "SB") has been established to monitor the functioning and observance of the Model and to ensure that it is kept up to date;
it has produced a Code of Ethics and rendered it effective with proper dissemination.

In order to be valid, the exemptions from liability established in the legislation require regular verification and updating of the Model in response to:

- changes that have affected the Company's organisational structure;
- changes that have affected the business of the Company and/or the products it offers to its clients;
- the detection of any violations of the organisational rules laid down in the Model.

Such updating is also necessary in response to legislative developments (the extension of offences) and the new case law in the field.

Failure to comply with the provisions of the Decree may result in sanctions for the company that may also have a significant impact on the operation of its business.
The Company's liability does not replace, but is in addition to the personal liability of the individual who committed the offence.
The Company's liability is autonomous, and it may also be liable in cases where the perpetrator of the criminal conduct has not been identified, cannot be charged, or where the offence is deemed no longer punishable for reasons other than amnesty.

A national register shall be established in which final judicial orders concerning the application and enforcement of administrative sanctions arising as a result of criminal offences will entered, together with those in which an administrative offence dependent on a criminal offence is contested, or in which a decision is taken with regard to contestation. Any body having jurisdiction over an administrative offence dependent on an offence, all public administrations, bodies entrusted with public services, when necessary to perform an act of their functions, and the public prosecutor, for reasons of justice, are entitled to obtain a certificate of all entries in the register that concerns them.

2. Predicate offences

The Company can be held liable only in relation to certain offences (so-called predicate offences) that are identified in the Decree and in subsequent supplements thereto, and by the laws that expressly and exhaustively refer to the provisions of the Decree and entered into force before the act was committed.

The predicate offences to which the Decree refers are those provided for in Section III, Chapter I of Legislative Decree 231/2001 (Articles 24 et seq.), which may be grouped, for ease of presentation, into the following categories:

- **offences committed in relations with the public administration**, Articles 24 (improper receipt of funds, fraud against the state, a public body, or the European Union, or to obtain public funding, computer fraud to the detriment of the state or a public body, and fraud in public supplies), updated following the implementation of Law No. 137/2023 and 25 (embezzlement, misappropriation of money or movable property, extortion, improper inducement to give or promise benefits, bribery and abuse of office) of Legislative Decree No. 231/2001, as amended by Law No. 112 of 8 August 2024 and Law No. 114 of 9 August 2024.
- **computer crimes and unlawful data processing**, introduced by Article 7 of Law No. 48 of 18 March 2008, which inserted Article 24 *bis* into Legislative Decree No. 231/2001, as amended by Law No. 90 of 28 June 2024.
- **organised crime offences**, introduced by Article 2, paragraph 29, of Law 94 of 15 July 2009, which inserted Article 24 *ter* into Legislative Decree No. 231/2001;
- **offences involving counterfeiting of legal tender, revenue stamps, deeds or distinguishing marks**, introduced by Article 6 of Law No. 409 of 23 November 2001, which inserted Article 25*bis* into Legislative Decree No. 231/2001, as amended by Article 15, paragraph 7, letter a), of Law No. 99 of 23 July 2009;
- **industrial and trade offences**, introduced by Article 15, paragraph 7, letter b) of Law No. 99 of 23 July 2009, which inserted Article 25*bis*.1 into Legislative Decree no. 231/2001;

- **corporate offences**, introduced by Legislative Decree No. 61 of 11 April 2002, which inserted Article 25*ter* into Legislative Decree No. 231/2001, amended by Law No. 190, subsequently by Legislative Decree No. 38 of 15 March 2017, and finally by Legislative Decree No. 19/2003;
- **offences for the purpose of terrorism or subversion of the democratic order**, introduced by Law No. 7 of 14 January 2003, which inserted Article 25*quater* into Legislative Decree No. 231/2001;
- **offences of female genital mutilation**, introduced by Law No. 7 of 9 January 2006, which inserted Article 25 *quater* into Legislative Decree No. 231/2001;
- **offences against the individual**, introduced by Law No. 228 of 11 August 2003, which inserted Article 25 *quinquies* into Legislative Decree No. 231/2001, subsequently amended by Article 10 of Law No. 38 of 6 February 2006 and Law No. 199/2016;
- **offences of insider trading and market manipulation**, provided for by Law No. 62 of 18 April 2005, which inserted Article 25 *sexies* into Legislative Decree No. 231/2001;
- **offences of negligent homicide and negligent grave or grievous injury**, committed in violation of the rules on accident prevention and the protection of worker health and safety, introduced by Law No. 123 of 3 August 2007, which inserted Article 25 *septies* into Legislative Decree No. 231/2001, as amended by Article 300 of Legislative Decree No. 81 of 9 April 2008;
- **offences of receiving stolen goods, money laundering, using money, goods or assets of illegal origin and self-laundering**, introduced by Legislative Decree No. 231 of 21 November 2007, which inserted Article 25 *octies* into Legislative Decree No. 231/2001, subsequently amended by Law 186/2014 and most recently replaced by Article 72, paragraph 3, of Legislative Decree 231 of 21 November 2007, as amended by Article 5, paragraph 1, of Legislative Decree 90 of 25 May 2017;
- **offences involving non-cash payment instruments** added by Legislative Decree No. 184/2021 and amended by Law No. 137/2003;
- **offences involving copyright violation**, introduced by Article 15, paragraph 7, of Law No. 99 of 23 July 2009, which inserted Article 25 *novies* into Legislative Decree No. 231/2001;
- **offence of inducement not to make statements or to make false statements to the judicial authorities**, introduced by Article 4 of Law No. 116 of 3 August 2009, as replaced by Article 2, paragraph 1, Legislative Decree No. 121 of 7 July 2011, which inserted Article 25 *decies* into Legislative Decree No. 231/2001;
- **environmental offences**, introduced by Article 4, paragraph 2, of Law No. 116 of 3 August 2009, as replaced by Article 2, paragraph 1, Legislative Decree No. 121 of 7 July 2011, which inserted Article 25 *undecies* into Legislative Decree No. 231/2001, subsequently updated by Law No. 68/2015 and amended by Legislative Decree No. 21/2018;
- **offence of employment of illegally staying third-country nationals**, introduced by Article 2 of Legislative Decree No. 109 of 16 July 2012, which inserted Article 25 *duodecies* into Legislative Decree No. 231/2001, which was amended by Law No. 161/2017;
- **offences of racism and xenophobia**, introduced by Law No. 167 of 20 November 2017, which inserted Article 25*terdecies* into Legislative Decree No. 231/2001, subsequently amended by Legislative Decree No. 21/2018;
- **offences of fraud in sporting competitions, unlawful gambling or betting and gambling using prohibited devices**, introduced by Law No. 39 of 3 May 2019, which inserted Article *25 quartedecies* into Legislative Decree No. 231/01.

- **tax offences** introduced by Legislative Decree No. 124 of 26 October 2019, converted into Law No. 157/2019, which inserted Article 25 *quinquiesdecies*, subsequently amended by Legislative Decree No. 75/202.
- **contraband offences**, introduced by Legislative Decree No. 75/2020 which introduced Article 25 *sexiesdecies* into Legislative Decree No. 231/01;
- **offences against cultural heritage**, following the approval of Draft Law No. 882 of 14 December 2021, the text of which provides for the inclusion in the Italian Criminal Code of the criminal offences set out in the Code of Cultural Heritage (Legislative Decree 42/2004). In particular, two new articles have been included in the catalogue of Legislative Decree 231/01: Article 25 *septiesdecies*, entitled "Offences against cultural heritage", which establishes fines and prohibitions for offences involving conveyance, embezzlement, unlawful import, exit or export, destruction, dispersion, deterioration, defacement, soiling or unlawful use of cultural or landscape heritage, counterfeiting of works of art, theft or receiving stolen cultural heritage and falsification of private deeds concerning cultural heritage; and Article 25 *duodevicies* entitled "Laundering of cultural heritage and depredation and looting of cultural and landscape heritage" which extends the legal entity's liability for the offences of money laundering, depredation and looting of cultural and landscape heritage.

Law No. 146 of 16 March 2006 ratifying and implementing the United Nations Convention and Protocols against Transnational Organised Crime, introduced a number of offences that are relevant to the Decree if they are committed by an organised criminal group and are 'transnational' in nature. In order to come within the terms of this wording, the offences must be committed:

1. in more than one State;
2. in one State, but provided that a substantial part of their preparation, planning, direction or control took place in another State;
3. in one State, but involving an organised criminal group engaged in criminal activities in more than one State;
4. in one State, but with substantive effects in another state.

An occasionally transnational offence is not relevant for the purposes of Legislative Decree No. 231/2001; what the legislation is concerned with are offences that are the result of stable, organised activity with a strategic perspective and which are likely to be repeated over time. Liability pursuant to Legislative Decree No. 231/2001 may arise when the offences indicated below are committed, in the interest or to the advantage of the Company, through contacts with a criminal organisation:

- provisions against illegal immigration (Article 12, paragraphs 3, 3-*bis*, 3-*ter* and 5 of the consolidated text of Legislative Decree No. 286 of 25 July 1998);
- association for the purpose of illicit trafficking in narcotic or psychotropic substances (Article 74 of the consolidated text of Presidential Decree No. 309 of 9 October 1990);
- criminal association for the purpose of smuggling foreign manufactured tobacco (Article 291 of the consolidated text of Presidential Decree No. 43 of 23 January 1973);
- inducement not to make statements or to make false statements to a judicial authority (Article 377-*bis* of the Criminal Code);
- aiding and abetting (Article 378 of the Italian Criminal Code);
- criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type association (Article 416-*bis* of the Italian Criminal Code).

3. Criteria for the attribution of liability

The perpetration of one of the predicate offences constitutes only one of the conditions for the applicability of the provisions laid down by the Decree.
There are in fact further conditions, related to the manner in which the offence is imputed to the Company and which, depending on their nature, may be divided into objective and subjective criteria for imputation.
The objective criteria require that the offences have been committed:

1. by a person functionally related to the Company;
2. in the interest or for the benefit of the Company.

With regard to the first aspect, according to the Decree, the perpetrators of the offence may be:

a) persons with administrative, management and policy-making roles in the Company or one of its financially and functionally autonomous organisational units, as well as those who perform, even only on a *de facto* basis, the management and control of the Company (top management), i.e. persons who hold positions of representation, administration or management in the Company or in one of its financially and functionally autonomous organisational units and who undertake the management and control of the Company, even only on a *de facto* basis. These are persons who, in view of the functions they perform, are referred to as "top management". In particular, the category of top management (a) may include directors, general managers, legal representatives, but also, for example, area directors and managers. All persons delegated by directors to perform management or policy-making roles in the Company must be considered top management;
b) persons under the supervision and control of top management (subordinates). The category of subordinates includes all those who are subject to the management and supervision of top management and who essentially implement decisions taken by top management. This category includes all employees of the Company as well as all those who act in the name, on behalf of, or in the interest of the Company such as, by way of example, contract staff, consultants and process managers.

If several persons are complicit in the perpetration of a predicate offence, it is sufficient for the senior or subordinate person to make a conscious contribution to its perpetration, even if the said person does not personally commit the offence.

On the other hand, with regard to the second aspect provided for in the Decree, in order for the Entity to be held liable, it is necessary that the offence has been committed in the interest or to the advantage of the Company, i.e. either that the Company has obtained a positive result from the conduct, or that this objective, although pursued, was not achieved by the perpetrator.
With regard to the concept of 'interest', it is necessary for such an interest to exist if the qualified person has acted fraudulently for his or her own benefit or for the benefit of third parties as well as in the interest of the Company, even if this interest is partial or marginal to the Company[1]. Therefore the concept of 'interest' takes on a subjective character in its reference to the volitional intent of the natural person acting and assessing his/her conduct at the time of the offence. Recently it has been established that the concept of 'interest' must also be read objectively, by assessing the finalistic aspect of the conduct[2].
With regard to the advantage, it should be noted that it must be characterised as a set of benefits, mainly of a

[1] see Court of Cassation, Criminal Division V, No. 40380/2012.
[2] see Court of Cassation, Criminal Division II, No. 295/2018 and Court of Cassation, Criminal Division IV, No. 3731/2020.

financial nature, deriving from the offence. Advantage, as opposed to interest, can be assessed *ex post* to the perpetration of the fraudulent conduct[3]. The advantage "asset" can[4] also be understood in terms of cost savings. In offences of negligence, including workplace health and safety (Article 25-*septies*) and the environment (Article 25-*undecies*), the interest and advantage must primarily relate to conduct that is non-compliant with protective regulations[5].

In all cases, the Company is not liable if the offence was committed in the exclusive interest of its perpetrator or in the interest of third parties.

The subjective criteria for imputation concern the company's culpability. The liability of the Company arises if proper standards of sound management and control over its organisation and the conduct of its business have not been adopted or have not been observed. "Negligence" on the part of the Company, and therefore the possibility of it being reprimanded, arises from an incorrect company policy or structural deficits in its corporate organisation that have failed to prevent the perpetration of one of the predicate offences.

However, the Decree excludes the recognition of any liability in the event that, before the offence was committed, the Company has adopted and effectively implemented an Organisation, Management and Control Model that is capable of preventing the perpetration of offences of the type that was committed.
The Model therefore acts as an exemption in the event that predicate offences are committed.

If a predicate offence has been committed by a member of top management, the Decree introduces a type of presumption of liability on the part of the Company, which is called to account unless it demonstrates that:
- the management body has adopted and effectively implemented, before the offence was committed, a Model that is capable of preventing offences of the kind that was committed;
- the task of supervising the functioning of and compliance with the Model, and ensuring that it is kept up to date, has been entrusted to a body with independent powers of initiative and control (a Supervisory Board or 'SB');
- the persons who committed the offence did so by fraudulently circumventing the Model;
- there was no failure to supervise or insufficient supervision on the part of the Supervisory Board.

On the other hand, for offences committed by subordinates, the Company is only liable if it is proven that "*the perpetration of the offence was made possible by a failure to fulfil management or supervisory obligations"* that are typically incumbent on top management.
In this case also, this prerequisite does not apply if the Company has adopted and effectively implemented the Model before the offence was committed, in this sense excluding non-compliance with management or supervisory obligations.

In the light of these provisions, the adoption and effective implementation of the Model, while not constituting a legal obligation, is the only means available to the Company to demonstrate its extraneousness to offences and, ultimately, to be exempt from the liability established by the Decree.

[3] see Court of Cassation, Criminal Division II, No. 295/2018.
[4] see Court of Cassation, Criminal Division IV, No. 3731/2020 and Court of Cassation, Criminal Division IV, No. 31210/2016.
[5] see Court of Cassation, Criminal Division IV, No. 16713/2018; Court of Cassation, Criminal Division IV, No. 48779/2019;

4. The territorial boundary of application of 231/01 criminal liability

Article 4 of Decree 231/01 governs offences committed abroad, and provides that Entities (broadly defined) with their principal place of business in Italy are also liable in relation to predicate offences committed abroad, in the cases and under the conditions set out in Articles 7 and 10 of the Italian Criminal Code, provided that the State in which the offence was committed does not prosecute them.

Accordingly, the Entity and, in our case, the Company is liable to prosecution when:

- it has its head office, i.e. the place where administrative and management functions are performed, or the place where its business is conducted on an ongoing basis, in Italy;
- the state in which the act was committed is not starting proceedings;
- a request is made by the Minister of Justice. If the legislation provides that the perpetrator of the offence is to be punished on demand of the Ministry of Justice, proceedings are brought against the Entity (or the Company) only if the demand is made in relation to the said Entity (or the Company).

5. The organisation, management and control model

The Model operates as an exemption from the liability of the Company only if it is suitable for the prevention of predicate offences and only if it is effectively implemented.

Although the Model is of fundamental importance in any criminal proceedings involving the company, the Decree does not indicate the characteristics and content that the Model must have. Instead, it limits itself to laying down certain general principles.

Accordingly, the Confederation of Italian Industry - *Confindustria* - in its June 2021 Guidelines - proposes to offer companies that have decided to adopt an Organisational Model a series of instructions and measures, drawn from business practice, that are deemed theoretically capable of meeting the requirements outlined in Decree 231/01.

The Guidelines are therefore designed to guide companies in the implementation of organisational models that are not merely fulfilling a bureaucratic obligation, but instead are specifically tailored to the characteristics of the Company, its organisational structure and the measures adopted, as also reflected in the Protocols which are produced.

In particular, the Model must:

- identify the activities in the context of which offences could be committed (so-called sensitive activities);
- provide specific protocols designed to plan the formation and implementation of the Company's decisions in relation to the offences to be prevented, identifying the risk coefficient, including potential risk, and designing a control system that takes account of the probability of the occurrence of the event and its impact;
- identify ways of mitigating the risk of an offence by drafting the said Protocols together with its Appendices or operating procedures;
- provide for reporting obligations to the body responsible for overseeing the functioning of and compliance with the models;
- introduce a structured disciplinary system capable of sanctioning non-compliance with the measures indicated in the Model.

With regard to the effective implementation of the Model, the Decree also establishes a requirement for

periodic verification and amendment, if significant violations of its provisions are discovered or if changes occur in the Company's organisation or business.

6. Attempted offences

Administrative liability also arises, pursuant to Article 56 of the Italian Criminal Code, if one of the predicate offences (i.e. crimes) provided for by the Decree is merely attempted.
However, the Company is not liable when it voluntarily prevents the action from being carried out or the event from taking place.
In cases of attempted offences, the fines and disqualifications imposed on the company are reduced by one third to one half.

7. Sanctions

The system for sanctioning unlawful administrative acts connected with offences provides for:
- **fines**;
- **disqualifications**;
- **ancillary sanctions**:
  - confiscation;
  - publication of the judgment.

These sanctions are of an administrative nature, even though they are applied by a criminal court.

Administrative sanctions are prescribed after five years from the date the offence was committed. This prescription does not apply in the case of:
- an application for a preliminary restrictive injunction;
- a charge of an administrative offence;

and as a result of the interruption a new prescription period starts.
If the suspension occurs as a result of a charge of an administrative offence arising from a criminal offence, the prescription period does not run until the moment when the judgment becomes final.
Therefore, the prescriptive periods for an administrative offence of the Company and for the offence of a natural person do not necessarily coincide.

7.1. Fines

In the event of a conviction of the Company, a fine will always be imposed.
The fine is determined by the judge through a system based on units, the value of which varies according to parameters established by the Decree.
The amount of a unit ranges from a minimum of €258.00 to a maximum of €1,549.00.
In determining the amount of the individual unit, the judge takes account of the Company's economic and financial conditions in order to ensure the effectiveness of the sanction.
When determining the fine, the judge also establishes the number of units applicable - not less than 100 or more than 1,000 - taking into account the severity of the offence, the degree of liability of the Entity, the action taken to eliminate or mitigate the consequences of the offence and to prevent the perpetration of other offences.
The fine may be reduced in the following cases:

- if the offender committed the offence mainly in his or her own interest or in the interest of third parties and the Company did not gain an advantage or gained a minimal advantage;
- if the damage caused is not significant.

Moreover, he fine may be reduced by between one-third and one-half if, before the proceedings begin:
- the Company has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence;
- a Model capable of preventing further offences has been adopted and implemented.

7.2. Disqualifications

Disqualifications may be imposed in addition to a fine, but only if expressly provided for the offence for which the proceedings are taking place, and provided that at least one of the following conditions is met:
- The company made a significant profit from the offence and the offence was committed:
  - by a top management;
  - by a subordinate, but only if the perpetration of the offence was facilitated by grave organisational shortcomings;
- in the event of repeated offences.

Disqualifications may entail:
- a temporary or permanent disqualification from carrying on the business;
- the suspension or revocation of authorisations, licences or concessions that are functional to the perpetration of the offence;
- a prohibition on entering into contracts with the public administration, except in order to obtain the provision of a public service;
- exclusion from concessionary terms, financing, grants or subsidies and the revocation of those already granted;
- a temporary or permanent ban on advertising goods or services.

Disqualifications are the most punitive measures for the Company and are normally temporary. However, in the gravest cases, they can exceptionally be imposed with permanent effects.

Disqualifications can also be imposed as a precautionary measure, as shall be seen in section 7 of this section.

However, disqualifications are not imposed – or are revoked if they are imposed as a precautionary measure – if before the first instance proceedings have commenced (pursuant to Article 17 of Legislative Decree 231/01) the Company:
- has compensated or repaired the damage;
- has eliminated the harmful or dangerous consequences of the offence, or at least has taken effective action to that end;
- has placed the proceeds of the offence at the disposition of the judicial authorities for confiscation;
- eliminated the organisational deficiencies that gave rise to the offence, by adopting and implementing organisational models capable of preventing the perpetration of new offences of the kind that occurred.

Finally, by Law No. 3 of 9/1/2019 (the so-called 'Spazzacorrotti' law) disqualifications were introduced for certain offences against the public administration and as an intensification of sanctions. Disqualifications in these specific cases may have a duration of between 4 and 7 years if the offence is committed by top management, and between 2 and 4 years if committed by a subordinate.
In all cases of voluntary correction of tax return, a disqualification is replaced by a fine.

7.3. Ancillary sanctions

The Decree provides for two additional sanctions:

- confiscation, i.e. the seizure by the State of the price or profit of the offence, including for equivalent purposes. In order for preventive seizure to be imposed, the Judge must find substantial evidence of liability and of the validity of the charge[6];
- the publication of the conviction, in excerpts or in full, at the Company's expense, in one or more newspapers indicated by the Judge in the judgment, and by its posting in the Municipality where the Company has its head office.

8. Preliminary injunctions

The Decree provides for the option of applying, as a precautionary measure, certain measures designed to provide pre-emptive protection in the event of the Company's conviction.
In order for precautionary measures to be applied, there must be substantial evidence of the liability of the company and well-founded and specific evidence of a real danger of a repetition of the offence for which the proceedings have been taken.
Once it has been established that it is possible to proceed with preliminary injunctions, the judge must determine them taking into account their appropriateness for the specific nature and degree of the precautionary requirements to be met in the particular case. The judge must then take into account the principle of proportionality of the measures to the gravity of the offence and to any sanction that may be applicable.

Precautionary measures may consist of disqualification orders, administration by an external commissioner, preventive seizure or distraint.
With regard to disqualifications, reference is made to the considerations made in paragraph 7.2.

Any administration by an external commissioner involves the continuation of the Company's business under the supervision of a commissioner. This measure is generally used instead of disqualification:

- when the Company performs a public service, the interruption of which could be gravely detrimental to the community;
- the discontinuation of the company's business may, in view of its scale and the economic conditions of the territory in which it is located, have a significant impact on employment.

Preventive seizure can be imposed only in relation assets for which confiscation is permitted, i.e. the profit and product of the offence.
A distraint order is intended as a precautionary measure to preserve security for the payment of the fine, the

[6] see Court of Cassation, Criminal Division VI, No. 34505/2012.

costs of the proceedings, or any other sum due to the tax authorities, and may be imposed on the Company's movable and immovable property, sums of money or property for which it is a creditor.

9. The liability of the Company and Modifying Events

The Decree governs the Company's liability in the event of modifying events, such as:

- transformation;
- merger;
- demerger;
- the sale of its business.

The Decree establishes, as a general rule, that only the Company is liable for the obligation to pay the fine with its assets or mutual fund, thereby excluding the financial liability of shareholders or associates, regardless of the legal nature of the Company itself. This provision also applies if the said modifying events take place by the methods described below.

Analysing individual hypotheses, the Decree lays down the rule that in the event of the transformation of the Company, "liability for offences committed before the date on which the transformation took effect remains unaffected". The new entity will therefore be subject to the sanctions applicable to the original entity, for acts committed prior to the transformation.

In the event of a merger, the Decree provides that the Company resulting from the merger, including by incorporation, is liable for the offences for which the Entities participating in the merger were liable.

In the case of a partial demerger, when the demerger takes place by transferring only part of the assets of the demerged company, which continues to exist, the Decree provides, on the other hand, that the demerged company shall remain liable for offences committed prior to the demerger. However, the Entities benefiting from a partial or total demerger are jointly and severally liable for the payment of the financial penalties due from the demerged company for offences committed prior to the demerger. The obligation is limited to the value of the transferred assets, unless the business unit in which the offence was committed has, even in part, been transferred.
In any case, disqualifications may be imposed on Entities that have retained the business unit in which the offence was committed or to which have, transferred it, even in part.
If the merger or demerger has taken place before the conclusion of the proceedings to ascertain the Company's liability, the court, when calculating the fine, shall take into account the economic conditions of the original Entity and not those of the Entity resulting from the merger.

In the event of assignment or transfer of the business in which the offence was committed, the Decree establishes that, without prejudice to the right of discussion of the transferor company, the transferee is jointly liable with the transferor for payment of the fine, within the limits of the value of the transferred company and of the fines resulting from the statutory accounting records, or for administrative offences of which the transferee was in any case aware.

10. Model 231 and provision for the appointment of defence counsel for the Entity

In the event that the Entity is the subject of formal notification of a 231/01 offence and its legal representative is also under investigation for the predicate offence, provision is made for the appointment by a specifically delegated person of legal counsel to defend the company's interests during the criminal proceedings (copious case law exists on this point, including, *ex multis*, Court of Cassation, Criminal Division, 25.7.2023, No. 32110; Court of Cassation, Criminal Division, 22.09.2022, No. 35387).

This requirement arises from the provisions of Article 39 of Legislative Decree No. 231/01, which states: "The entity is defended in criminal proceedings by its legal representative, unless the latter is charged with a crime that has given rise to the administrative offence", an article designed to provide a full guarantee of the right of defence of the collective entity in cases where an inherent conflict of interest might exist between the defence of the natural person and the defence of the legal entity. This principle was also reaffirmed by the Court of Cassation, sitting *en banc*, in judgment No. 33041 of 2015, which imposed a general and absolute prohibition on representation on the part of a legal representative who is under investigation, justified by a suspicion that any appointment of a defence counsel by the person under investigation could "potentially have a damaging effect in terms of strategic decisions for the entity's defence, by placing it on a collision course with the divergent strategies of the defence counsel of the legal representative under investigation".

In order to provide for such an eventuality, TIP makes provision for the appointment of an (*ad litem*) "representative for the legal action" who will appoint the Company's defence counsel for the proceedings and - as a precautionary measure - identifies the said representative from within the corporate structure.

The Company believes that it can manage the various situations of incompatibility that could arise as follows:

- depending on who is under investigation, the Chairman of the Board of Directors or the Chief Executive Officer could take on the role of representative for the legal action, taking decisions on the legal counsel to be appointed and with whom to assess the most appropriate defence strategy;
- alternatively, in the event that both of the said roles are under investigation, the General Manager will take over the role;
- as a further alternative, in the event that the General Manager is also under investigation together with the other two, the Head of Legal and Corporate Affairs will be identified as the person to take on the role as required by the legislation.

The Company is also aware that although the wording of the legislation refers exclusively to cases in which a natural person representative is indicted, the Supreme Court has clarified that the incompatibility also extends the preliminary investigation stage, during which it is not unusual for a conflict of interest to be the basis for an exclusion from representing the entity, at least during the legal proceedings.

SECTION II

THE MODEL

OF TAMBURI INVESTMENT PARTNERS S.P.A.

1. The company: business and governance

Tamburi Investment Partners S.p.A. (hereinafter also "TIP" or the "Company") is an independent and diversified industrial group listed on the Euronext STAR Milan segment for companies with high requirements. TIP has holdings in both listed and unlisted companies and focuses its investment activity on medium-sized Italian companies which demonstrate 'excellence' in their relevant sector, with minority equity investments.
Through the Tamburi & Associati - T&A division, TIP also provides assistance with extraordinary finance operations.

The company organisational structure includes the following senior figures:
- Board of Directors
- Chairman and Chief Executive Officer - Giovanni Tamburi
- Deputy Chairman and Chief Executive Officer - Alessandra Gritti
- General Manager – Claudio Berretti

Each of these roles has duties that delimit their responsibilities.

In particular, as provided for in the Articles of Association, the Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company, without exception, and has the power to perform any acts that it deems appropriate for the implementation and achievement of the corporate objectives, excluding only those that the law peremptorily reserves for the Shareholders' Meeting.

The Chairman of the Board of Directors (or in the event of his absence or impediment, the Deputy Chairman vested with powers of attorney) is the legal representative of the company with powers of signature and representation of the company before third parties and in legal proceedings. The Chairman supervises the Company's operations and oversees the adoption of resolutions of the Shareholders' Meeting and the Board of Directors.

The other Directors are responsible for representing the company within the limits of the powers delegated to them by the Board of Directors.

Within the limits established in Article 2381 of the Italian Civil Code, the Board of Directors may also delegate its powers to one or more of its members with the status of Managing Directors by means of separate and/or joint powers, establishing the limits of the delegation. The Board of Directors may also delegate particular functions or special assignments to individual members.

The Company is subject to internal and external controls to verify compliance with processes. Such controls take place at predetermined or intervals or annually, depending on the subject matter.

The Board of Statutory Auditors is composed of three Statutory Auditors appointed by the Shareholders' Meeting and meeting the requirements of eligibility, integrity and professionalism laid down in the applicable laws and regulations.
The Board of Statutory Auditors monitors compliance with the law and the Articles of Association, compliance

with the principles of proper administration, and in particular the adequacy of the organisational, administrative and accounting structure adopted by the Company and its proper functioning.
The statutory audit of the Company's accounts is performed by an independent auditing firm listed in the register of statutory auditors and audit firms in accordance with applicable legislation.
The mandate for the statutory audit of the accounts is granted by the Shareholders' Meeting, on the reasoned proposal of the Board of Statutory Auditors, and may be renewed in accordance with current and applicable legislation. The award and revocation of the mandate and of duties, powers and responsibilities is governed by current and applicable statutory and/or regulatory provisions.

The Board of Statutory Auditors and the independent auditors exchange relevant data and relevant information on a timely basis for the performance of their respective duties. The work performed by the independent auditors is documented in a special register kept at the Company's registered office.

2. Function of the Model

In order to ensure, in protection of its position and reputation, conditions of fairness and transparency in the conduct of its business and company activities, TIP has decided to implement an organisation, management and control model pursuant to Italian Legislative Decree No. 231/2001.

This initiative was taken in the conviction that the adoption of such a Model - beyond the provisions of the Decree, which indicate the Model as an optional and non-mandatory element - can constitute a valid tool for raising awareness among all those who work in the Company so that they follow, in the performance of their duties, proper and straightforward conduct that will prevent the risk of perpetration of the offences contemplated in the Decree.

By resolution of the Board of Directors of 19 June 2023, the Company updated its (previously adopted) organisation, management and control model in light of the new offences introduced by Legislative Decree No. 231/2001.

The Model refers to the structured and organic system of rules, operating and IT procedures and controls in force in TIP that are capable of preventing the perpetration of the various types of offence provided for in the Decree.
More specifically, by identifying "sensitive" activities at risk of offences and the consequent regulation, the purpose of the Model is:

- to create, among all those working in areas where "sensitive" activities are performed, an awareness that in the event of a breach of the provisions of the Model, they may be involved in an offence subject to criminal and administrative sanctions, not only against themselves, but also against the Company;
- stress that such forms of unlawful conduct are strongly condemned by the Company because (even if it is apparently in a position to benefit from them) they are contrary not just to the provisions of law, but also to the ethical/social principles to which TIP intends to adhere in the pursuit of its mission;
- to enable the Company, by means of monitoring of areas where "sensitive" activities are performed, to take prompt action to prevent or counter the offences in question.

In addition to these principles, an effective Model requires:

- awareness-raising and dissemination at all levels of the company of detailed knowledge of the rules of conduct in force at TIP;
- that an up-to-date map is available of "sensitive" activities as provided for in the Decree, and the corporate structures in which offences can take place;
- the assignation to the Supervisory Board of specific duties of monitoring of the effective and proper functioning of the Model, together with the provision to the Supervisory Board of adequate company resources, proportionate to the duties entrusted to it and to the reasonably reliable results expected of it;
- verification and documentation of "sensitive" transactions;
- compliance with the principle of the separation of functions;
- the definition of powers of authorisation that are consistent with the responsibilities assigned;
- verification of conduct within the company and the functioning of the Model, with consequent periodic updates.

The achievement of these objectives requires the adoption of measures to improve efficiency in the performance of corporate processes and to ensure constant compliance with the law and regulations by identifying and promptly eliminating situations of risk.
In particular, the objective of an efficient and balanced corporate organisation that is capable of preventing the perpetration of offences, is principally pursued by close attention to the processes of formation and implementation of the company decisions, to prior and subsequent verification, and to information flows, both internal and external.

3. Guidelines

Article 6, paragraph 3 of Legislative Decree No. 231/2001 expressly provides that Organisation, Management and Control Models must be adopted on the basis of the codes of conduct produced by the representative associations of the entities.
The Organisational Model incorporates the relevant components of the control system outlined in:

- the "*Guidelines for the drafting of an organisation, management and control model pursuant to Legislative Decree No. 231/2001*", issued by *Confindustria*, the Confederation of Italian Industry, most recently updated in its version of June 2021;

For the definition of the Organisation, Management and Control Model, the Guidelines establish, *inter alia*, the following planning stages:

- ✓ identification of risks, i.e. an analysis of the corporate context in order to identify the areas of business and the methods by which the offences provided for in Legislative Decree 231/2001 could be committed;
- ✓ the establishment of a control system that is capable of preventing the risk of offences by means of Protocols identified in the previous phase, from an assessment of the control system existing within the Company and its degree of adaptation to the requirements laid down in Legislative Decree 231/2001.

4. Relationship between the Model and the Code of Ethics

Following a series of interviews and analysis of corporate documents, the Organisational Model compiled pursuant to Legislative Decree 231/01 identifies the predicate offences that, even potentially, could be

attributed to TIP.
The Code of Ethics, on the other hand, contains the principles of conduct and the basic ethical values that inspire the Company in the pursuit of its objectives. These principles must be respected by all those concerned by the Model and by those who, for any reason, interact with the Company, and are to be considered an essential element of the preventive control system.
The Code of Ethics is an official Company document that sets out:

- rights;
- duties;
- responsibilities of the company to "stakeholders" (employees, suppliers, clients, public administrations, etc.).

The Code of Ethics recommends, promotes or prohibits certain conduct and imposes penalties proportionate to the seriousness of the offence committed.
The Code of Ethics must also establish principles to safeguard against violation of accident prevention and environmental regulations.

The structure of the document requires minimum content in relation to:

Malicious offences

- the company must comply with laws and regulations and has a duty to:
  a) ensure that every employee/consultant/supplier/client complies with laws and regulations;
  b) promote awareness of such laws and regulations;
  c) provide an appropriate training and awareness-raising programme on issues addressed by the Code of Ethics;
- the Company must ensure that each operation and transaction is recorded, authorised, verifiable, legitimate, consistent and appropriate and, in particular that:
  a) every operation must be properly recorded;
  b) each operation must be subject to a process of verification of its decision-making and authorisation procedure;
  c) each operation must be duly supported by documentation;
- in its dealings with the public administration, the Company must not permit any of the following to occur:
  a) unlawful payments and/or provision of benefits, either in Italy or abroad;
  b) favours, offers of money or gifts to employees of a public administration, regardless of their level within the administration, or their relatives, except for customary gifts or gifts of modest value;
  c) any derogation from the principles of self-regulatory codes established by the P.A.;
  d) the acceptance of objects, services and/or benefits of value in order to obtain more favourable treatment, irrespective of the relationship maintained with the public administration;
  e) encouragement on the part of Company personnel of conduct that could improperly influence the decisions of a public administration;
  f) representation, in relations with the public administration, by an external consultant or a "third party" when this could even potentially, create a situation of conflict of interest;
  g) any action to assess or propose employment and/or commercial opportunities for the personal benefit of an employee of the public administration;

h) the proposal of any corporate promotional initiative to an employee of the public administration;
i) the solicitation or any effort to access information regarded by the public administration as confidential;
j) the employment of a former employee of the public administration.

Negligent offences

- the Company must, by means of the Code, disseminate the principles and criteria on the basis of which decisions of all types and at all levels are taken, in order to:
  a) eliminate and/or mitigate all risks, including potential risks;
  b) reassess and monitor all risks that cannot be eliminated;
  c) introduce risk mitigation measures;
  d) reduce risks at their source;
  e) take steps to significantly reduce the danger coefficient;
  f) plan measures to improve security levels with particular attention to so-called 'collective protection measures';
  g) give specific instructions to persons concerned by the Model.

The Company's Code of Ethics may also be formulated to clarify and possibly implement:

a) any measures taken by the company to eliminate/reduce the negative impact of its economic activity on the environment;
b) promote the values of training and dissemination of ethical principles among all stakeholders in the Company;
c) the disciplinary system and sanctioning mechanisms.

It follows that the Code of Ethics must be considered as the essential foundation of the Model, since the provisions of the latter presuppose compliance with the provisions of the former. Together, they form a systematic corpus of internal regulations designed to disseminate a culture of ethics and corporate transparency. The Code of Ethics, which is understood as fully incorporated herein, is appended to and forms an integral part of the Model.

5. Principles underlying the Model

This Model has been drafted on the basis of the following fundamental principles:

- provision for the granting to persons involved in the formation and implementation of Company policy, of powers and duties that are consistent with the organisational responsibilities assigned to them, by means of a system of clear and complete written mandates and/or powers of attorney, including with regard to spending powers, that is kept constantly up to date and approved by the Shareholders' Meeting;
- the establishment of corporate and individual objectives that are realistic and consistent with the actual abilities of the persons concerned;
- the requirement that employees, contract staff and external consultants of the Company are to be selected on the basis of competence and professionalism, in accordance with the provisions of the Code of Ethics, the Model, and in compliance with the relevant legislation (the Italian Statute of Workers' Rights);
- support for the circulation of information flows, while respecting confidentiality, with a view to identifying any conduct that is inconsistent with the provisions of the Model. Such information must be of particular

importance for the purposes of mapping at-risk activities (so-called sensitive activities), as an essential condition for adequate preventive organisation;
- a guarantee of the transparency and traceability of every significant operation involving activities where there is a risk of the perpetration of predicate offences, with consequent *ex post* verification of corporate conduct through genuine, unalterable, correctly filed and verifiable documentation produced by clearly identifiable individuals. In the use of Company information technology equipment, limitations must be established for specific company responsibilities;
- the provision of constant training and updating to persons concerned by the Model on the law relating to the performance of their duties, on the provisions of the Code of Ethics, and on the procedures identified in or for any reason referred to in the Model;
- the dissemination within the organisation of Company of rules of conduct, procedures and policies, in accordance with the principles established in the Model and the involvement of all company levels in their implementation;
- verification that the Model is functioning on the ground, ensuring that it is updated on the basis of experience of its application;
- firm sanctioning of any conduct on the part of persons concerned by the Model that is inconsistent with their duties or that is in contravention of the protocols established by this Model.

6. Structure of the Model

Following the Guidelines laid down by *Confindustria*, the Confederation of Italian Industry, the Organisational Model consists of a General Part and a Special Part.
The General Part describes the contents and effects of the Decree, the principles and objectives of the Model, the tasks of the Supervisory Board and the workings of the disciplinary system.
The Special Part also contains organisational procedures developed on the basis of the mapping of at-risk areas. This part of the Model also contains the implementation Protocols, i.e. the structure of the Company's existing control system for the prevention of offences and for the update of the system itself. Protocols are designed to reduce or eliminate risk by acting on two levels:
- P = the probability of the occurrence of an event;
- I = impact of the event.

In no case may the provisions contained in company procedures justify non-compliance with the provisions of this Model.

7. Criteria for adoption of the Model

The Model has incorporated all the legislative changes introduced up to June 2021, taking into account all the predicate offences provided for in the legislation up to that date.
The work of drafting the Model involved the following operational phases:
i. definition of the methodology for mapping activities that are at risk of an offence;
ii. definition of the map of "sensitive" activities at risk of offence and identification of the relevant organisational safeguards for risk mitigation.

The work involved the collection and analysis of documentation relevant to Legislative Decree No. 231/2001

and on the organisational controls already in force, and was subsequently verified, completed and shared through an interview with senior management, with the specific aim of:

- verifying that the list of sensitive activities is complete;
- check the consistency of the control measures already in place (e.g. procedures, instructions, delegation systems, logical security elements, etc.) for the deterrence or prevention of unlawful conduct;
- enter into consultations regarding areas identified for improvement (i.e. gaps in existing controls) and the action plans proposed to cover these gaps, to be implemented through the supplement of existing regulations or through the establishment of special *ad hoc* regulations.

7.1. Mapping of sensitive activities

With respect to the types of predicate offences contemplated by the Decree that could result in the administrative liability of the Company, those that are theoretically applicable to the Company's actual situation have been identified.

Subsequently, so-called "sensitive" activities and processes were identified for each category of offence.

In order to specifically and concretely identify the at-risk areas within the Company, an analysis of the corporate and organisational structure of TIP as represented in its organisational chart was conducted.

This analysis used documentation on the Company together with all the information obtained in the course of interviews with the Board and Area Managers.

This information enabled extensive verification of the company processes involved from time to time, including the identification of areas likely to be considered "at risk".

7.2. Risk analysis

An analysis was then carried out for each area of risk to detect:

- activities that are at risk of an offence;
- the offences that can be committed;
- the possible ways in which offences can be committed;
- the persons normally involved;
- the degree of risk;
- existing control measures;
- any plans for improvement.

The results of this analysis revealed the Company's susceptibility the following predicate offences:

- offences against the public administration;
- computer-related crime and unlawful processing of data;
- organised crime offences;
- corporate offences;
- market abuse;
- negligent homicide or serious or grievous bodily harm committed in breach of occupational health and safety regulations;
- receiving of stolen goods, money laundering, the use of money, goods or assets of illegal origin and self-laundering;
- offences involving non-cash payment instruments;

- copyright infringement offences;
- inducement not to make statements or to make false statements to a judicial authority;
- environmental offences;
- tax offences.

The following were excluded from the detailed analysis:
- counterfeiting;
- offences against industry and trade;
- offences for the purpose of terrorism or subversion of the democratic order;
- female genital mutilation;
- offences against the individual;
- employment of illegally staying third-country nationals;
- racism and xenophobia;
- fraud in sporting competitions;
- contraband offences;
- crimes against cultural heritage.

The Board of Directors, with the support of the Supervisory Board, was assigned the task of ensuring the ongoing updating of the mapping of sensitive activities and instrumental processes, to be performed with particular attention at moments of corporate change.

7.3. Risk assessment criterion

The principle adopted for risk assessment follows the common line of the formula:

$$R(isk) = P(robability) \times D(amage)$$

assigning a value from 1 to 4 to the unknowns P and D; while the value 0 will only be assigned where there is no possibility of the offence being committed.

In order to calculate the Probability of occurrence of the event (P) and the Damage that the event could cause (D), with reference to the individual offences indicated in the special parts, the following criteria will be followed:

Values for probability calculation	
1	1 - 25%
2	26 - 50%
3	51 - 75%
4	76 -100%

Values for damage calculation	
Fine of between 100 and 500 units	1
Fine of between 501 and 1000 units	2
disqualification	2

Accordingly – purely by way of example – a score of 4 will be assigned for probability if, with reference to the individual type of offence analysed, there is a probability of occurrence of a value between 76% and 100%. On

the other hand, with regard to damages, a score of 4 will, for example, be assigned if the penalty for that particular offence is either a fine (with a maximum value of between 501 and 1000 units) or a disqualification.

Combining the two values shown gives the following results:

	PROBABILITY				
DAMAGE	0	1	2	3	4
	1				
	2				
	3				
	4				

KEY	
0	NON-
1 - 4	ACCEPTABLE
5 - 8	AVERAGE
9 - 16	HIGH

The assessment will be considered "positive" if the result obtained results in at least an "acceptable" risk, i.e. Within the range of 1 to 4. The "non-existent" value will be obtained only if the probability of occurrence of the offence is 0. Note that if the result is between 5 and 16, the Company must take measures to mitigate the risk and bring it to an "acceptable" value.

In order to reduce this risk value, it should be noted that the damage for the Company in the event of the offence being committed will be measured by the competent judicial authority, and therefore, as it is a normative value, it cannot be reduced in any way by corrective and/or preventive actions on the part of the Company.

Conversely, with respect to probability, the corrective measures that the Company may adopt in order to reduce the possibility of the event occurring are set out below.

Probability mitigation measures	
Code of ethics + OMCM + Other regulatory documents (e.g. risk assessment document) = Adaptation of Regulations	1
Adaptation of Regulations + Organisation System (non-certified system - e.g. security mandates/manual procedures/organisation chart) = Adaptation of Organisation	2
Adaptation of Organisation + Certification/Appendix/DPO = Overall Adaptation	3

Depending on the R(isk) value obtained, measures must be taken in a different order of priority.

Consequently, starting from an offence that can potentially be committed by the Entity and calculating its

probability of occurrence, as well as the relevant damage - e.g. probability of 4 and damage of 4 - once a risk value of, for example, 16 (HIGH) has been obtained, in order to reduce this risk and bring it to an "acceptable" level, it will be necessary for the Company to immediately take, at the very least, corrective measures and plan an intervention leading to the adoption of a measure to mitigate the probability to 3.

Example of assessment of the residual risk:

1. the "original" risk must be calculated by multiplying the value of the probability (from 1 to 4) by the value of the damage (from 1 to 4);
2. if the value obtained corresponds to a medium or high level of risk, the Company must adopt one of the measures indicated in the above table (e.g. complex adjustment);
3. the value of the mitigating measure must be subtracted from the original value of the probability.

Therefore, if the value of the original probability and the risk value are both 4, adopting the "complex adjustment measure" (value 3), would be subtracted from the original value. This would result in a probability of occurrence of the event of 1, which multiplied by the damage (R = P X D) – which cannot be modified – would result in a residual risk of 4 which is therefore "acceptable".

7.4. Definition of acceptable risk and determination of the degree of risk

A fundamental concept in the construction of an Organisational Model is that of acceptable risk. In fact, for the purposes of applying the provisions of the Decree, it is important to establish a threshold that allows a limit to be set on the quantity and quality of the preventive measures to be introduced to prevent the perpetration of the offence.

In fact, as reiterated in the *Confindustria* Guidelines of June 2021, the risk is considered acceptable when the additional controls "cost" more than the resource to be protected.

The risk is acceptable in cases of malicious offences, when the effectiveness of the system for preventing the perpetration of the offence is such that it can only be evaded fraudulently (the exemption of the so-called 'fraudulent avoidance of the Model')[7].

With negligent offences, the acceptable risk consists of conduct in violation of the preventative Organisational Model, despite strict compliance with supervisory obligations.

For each sensitive area, also taking into account the presence of processes that are instrumental to the perpetration of this type of offence, the degree of risk that one of the conceivable offences will occur was assessed.

The risk assessment follows a scale of judgement (NON-EXISTENT, ACCEPTABLE, MEDIUM, HIGH) that has been specifically outlined for the assessment of the risk of perpetration of the offences provided for in Legislative Decree 231/2001 within the Company's structure by combining the following assessment factors (see section 6.3 and the relevant tables):

[7] see Court of Cassation, Criminal Division V, No. 4667/2014.

a) RISK: any variable or factor that within the company, alone or in correlation with other variables, may adversely affect the achievement of the objectives set by Decree 231/01, including with specific reference to Article 6, paragraph 1, letter a)[8];
b) PROBABILITY: the condition of fact or event that is believed likely to occur, or that, among several possible facts and events, appears to be the one that can most reasonably be expected, including in the face of certain conduct;
c) DAMAGE: the consequence of an action or event that causes the Company to be exposed to a charge pursuant to Legislative Degree 231/01.

7.5. Identification of risks and control measures

The safeguards designed to prevent the risk of the perpetration of the offences provided for by Legislative Decree 231/2001 work alongside compliance with the TIP Code of Ethics, a general non-derogable principle of the Model, and are structured with two levels of control, theoretically:

a) **identification of potential risks**: i.e. an analysis of the corporate environment in order to identify in which areas or sectors of activity and in what ways prejudicial events could, even theoretically, occur. Risk is understood as any variable or factor within the company that may adversely affect the achievement of the objectives indicated by the 231/01 system.
   In concrete terms, the General Control Principles indicated above must be implemented when performing any of the sensitive activities considered by the Model.
b) **Design of the control system** (Protocols for planning the formation and implementation of Company decisions). This consists of assessing the existing system within the Company for the prevention of offences and its possible adaptation, in terms of its ability to effectively combat, i.e. reduce to an acceptable level, the risks that are identified. The Protocol must result in a reduction of risk, making it acceptable by acting on both the probability of occurrence of the event and the impact of the event itself. The Specific Prevention Protocols must contain specific provisions designed to prevent the perpetration of offences in the performance of Sensitive Activities and are attached to the Model.

7.5.1. Identification of potential risks and General Control Principles

The Identification of potential risks and the General Control Principles of the Model are as follows:

- identification of the areas and sectors of company business;
- assessment of the internal operating environment (organisational structure, organisational/territorial structure, size, etc.);
- assessment of the external operating environment (economic sector, geographical area, etc.);
- identification of individual offences hypothetically linked to the Company's business;
- activation of a control system by means of:
  - assessment by a corporate body in collaboration with Management;
  - self-assessment by operational management;
- creation of an inventory of the areas of the Company's business through:
  - periodic review of the Company's situation;
  - regulation of relations with the public administration;

[8] "a) the management body has adopted and effectively implemented, before the offence was committed, a models of organisation and management that are capable of preventing offences of the kind that was committed";

  - prior vetting of suppliers to exclude Mafia infiltration (white list);
- analysis of potential risks;
- assessment and adaptation of the system of preventive controls.

In summary, the three levels of control required should be structured as follows:
- **First level of control** (controls inherent in operating processes) to be performed by internal personnel by self-monitoring, with particular attention to health and safety procedures, which are supervised by persons assigned these responsibilities pursuant to Legislative Decree 81/08 (in particular the Health and Safety Officer);
- **Second level of control** (controls performed by company technicians) for monitoring the process of management and control of risks related to system operability;
- **Third level of control** (for more structured, medium-to-large sized entities) for assessment of the functioning of the overall control system, accompanied by improvement plans defined by agreement with management.

These principles are applied within the Model by means of Specific Prevention Protocols, structured as follows:
- **Regulation**: the existence of company regulations establishing principles of conduct, operating procedures for performing sensitive activities and procedures for filing the relevant documentation, to ensure that every operation, transaction and action is verifiable, documented, consistent and proper.
- Traceability:
  - each operation involving sensitive activities must, where possible, be adequately formalised and documented;
  - the process of decision-making, authorisation and performance sensitive activities must be verifiable *ex post*, including through appropriate documentary means, and the permitted cases and methods for any of deletion or destruction of records made must be regulated in detail, with a clear identification of the persons involved. In all cases, the confidentiality of information must be respected in accordance with law.
- Organisational structure: corporate organisational chart, safety measures (Legislative Decree 81/08) environmental measures (Legislative Decree 152/06) privacy measures (GDPR) capable of providing a picture of the corporate organisation and identifying the tasks and responsibilities established for the various departments, including instructions and job descriptions;
- Mandates and delegations: powers of authorisation and signing authorities granted must be:
  - consistent with assigned organisational and management responsibilities, including, where required, an indication of expenditure approval thresholds;
  - clearly defined and properly circulated inside and outside the Company. The corporate roles to which the power to commit the Company to certain expenses must be defined, specifying the limits and nature of such expenditure. The deed of assignment of functions must comply with any requirements that may be established by law (e.g. mandates regarding employee health and safety), together with the relevant professional fees and express acceptance.
- Separation of duties: a separation must be maintained within each relevant business process between the activities of persons who authorise, execute and control the processes, so that no single person can independently manage an entire process. This segregation is ensured by the intervention of several persons

within the same macro-process, in order to ensure the independence and objectivity of processes. The separation of functions is also achieved through the use of manual and computerised procedures (information systems) that only authorise certain identified and authorised persons to execute certain operations. At the same time, there must be a clear identification and description of the tasks, responsibilities, powers and limits attributed to each function, and in particular to persons acting in the name and on behalf of the Company.

- Powers of authorisation and signing authority: identified and assigned in accordance with organisational and management responsibilities, defining in advance, in a clear and unambiguous manner, the company positions that are entrusted with the management and responsibility for activities that are at risk of an offence, also with regard to the enforceability of powers of attorney against third parties. On the other hand, mandates must be an instrument for a more effective fulfilment of legal obligations, indicating limitations of powers and expenditure. This system will require regular updating.
- Monitoring activities: these involve the regular and timely updating of mandates, delegations of functions, and the control system itself, in a manner that is consistent with the decision-making system and the entire organisational structure. With regard to corporate powers of attorney and delegations of functions, this activity is the responsibility of the Board of Directors. Finally, the protocol provides for the performance of controls by Area Managers or by a third party superordinate entity.
- Personnel communications and training: all company personnel must be made aware of the existence not only of the Organisational Model and the Code of Ethics, but also of other instruments such as powers of authorisation, hierarchical reporting lines, procedures, information flows and all that contributes to the transparency of daily operations.

  Furthermore, an appropriate training programme must be developed for staff in at-risk areas which is appropriately tailored to the target level and which explains the advisability, as well as the legal grounds, that underlie the rules and their actual scope.

  Communications must be comprehensive, effective, authoritative, clear and detailed, and repeated regularly. Alongside the communications, a modulated training programme, administered by the Supervisory Board, must be provided.

In the event of cases of necessity and urgency that temporarily prevent compliance with the protocols as provided for in Special Part, those who make and implement decisions must assume all the relevant responsibilities.
The Supervisory Board must be promptly informed, and will inform the relevant company department, which is required to ratify the relevant decisions.

7.5.2 Preliminary verifications of contractual counterparties

As a further safeguard designed to prevent the perpetration of the predicate offences contemplated in the Decree, the Company deems it appropriate to conduct, where possible in accordance with the instructions issued by *Confindustria* in its approved Guidelines, the following verifications or examinations (hereinafter the Preliminary Verifications) of contractual counterparties such as suppliers, consultants, clients, or others that perform any other activity connected with the Company's business:

- commercial and professional reliability of commercial or financial suppliers and partners, on the basis of the contractual and payment conditions applied, of publicly available prejudicial data, such as complaints,

insolvency proceedings or similar - as well as the involvement of politically exposed persons pursuant to Legislative Decree 231/2007, i.e. "*natural persons resident in other EU or non-EU States who hold or have held important public office, as well as their immediate family members or those with whom such persons are known to have close ties*";

- verification of the adoption of Organisation, Management and Control Models, or equivalent models for foreign entities, on the part of contractual counterparties. During selection, in the case of parity of all requirements, the adoption of an Organisation, Management and Control Model constitutes a preferential aspect;
- verification of the regularity of payments, in terms of coincidence between the recipients and originators of payments and the counterparties actually involved in the transactions;
- formal and substantial controls on company financial flows. In particular, the verifications must include checks on the registered office of the counterparty company against lists of countries at risk of terrorism or offshore centres, together with checks of the credit institutions they use and any corporate shields or trust structures used for extraordinary transactions and operations;
- compliance with limits on cash payments, as well as any use of bearer or anonymous bank books for cash management;
- precautions in case of split payments;
- regular training for personnel deemed to be at risk of involvement, including unwittingly or occasionally, in money laundering or terrorist activity;
- proper execution of the required environmental procedures;
- compliance with applicable workplace legislation, with particular attention to child labour and workplace health and safety.

8. Adoption, amendments and additions to the Model

The Board of Directors has exclusive competence to adopt, amend and supplement the Model.

In exercising this function, it is assisted by the Supervisory Board, within the scope of the powers granted to it in accordance with Article 6, paragraph 1, letter b) and Article 7, paragraph 4, letter a) of the Decree, acting also on the notification of all Persons Concerned and Area Managers, who are entitled to make proposals to the Board of Directors regarding the updating and adaptation of this Model and who have the duty to report immediately, in writing, any facts, circumstances or organisational shortcomings detected in supervisory activities that highlight a requirement or the advisability of amending or supplementing the Model. In particular, the Supervisory Board is responsible for any necessary dynamic updating of the Model by implementing suggestions and proposals to adapt to the corporate bodies/functions involved and carrying out a follow-up to assess the effectiveness of the proposed solutions[9].

The Supervisory Board is required, at least every six months, to raise such observations in the annual report to the Board of Directors as provided for in this Model, ensuring an effective flow of communication to and from management.

In all cases, the Model must be promptly amended or supplemented by the Board of Directors, including on the proposal of and in all cases following consultation with the Supervisory Board, when the following events occur:

- violations or circumventions of the provisions of the Model that have demonstrated its ineffectiveness or

[9] see page 76 of the Confindustria Guidelines of June 2021.

inconsistency in preventing predicate offences;
- significant changes in the internal structure of the Company and in the ways in which the Company conducts its business;
- regulatory changes;
- whenever deficiencies become apparent or the Board of Directors deems it necessary to make additions or changes.

The operating procedures adopted in implementation of this Model may be amended on the proposal of the competent Area Managers, following non-binding consultation with the Supervisory Board, by the Board of Directors, if they prove ineffective for the proper implementation of the provisions of the Model. The competent Area Managers may also give their opinions on changes or additions to the operating procedures necessary to implement any revisions of this Model.
The Supervisory Board must always be informed of any amendments, updates or additions to the Model.

9. Organisational structure

The organisational structure of the Company is of fundamental importance for the implementation of the Model. It is on the basis of the organisational structure that the respective areas of competence and the main responsibilities assigned to them are identified. Reference is made to the description of the current organisational structure in the Company's organisational chart.

10. Persons concerned by the Model

The rules set out in the Model and the Code of Ethics apply primarily to those who perform functions of representation, administration or management of the Company or of one of its organisational units with financial and functional autonomy, as well as to those who exercise, even on a *de facto* basis, the management and control of the Company.
The Model and the Code of Ethics also apply to all employees of the Company, including those who collaborate for various reasons from abroad.
Finally, the Model and the Code of Ethics apply, within the limits of the existing relationship, to those who, although not part of the Company, operate under a mandate or on behalf of the Company or who are in any way linked to the Company by legal relationships relevant to the prevention of predicate offences.
To this end, within the Company, the Area Managers and those who perform such functions, including on a *de facto* basis, if necessary following consultation with the Board of Directors, first determine the types of legal relationships with parties external to the Company to whom it is appropriate to apply the provisions of the Model and of the Code of Ethics, due to the nature of the activity they perform. Similarly, the methods of communication of the Model and the Code of Ethics to the external parties concerned, if any, are also determined, together with the procedures necessary to comply with its provisions, in order to ensure that all the parties concerned are fully familiar with them.
Persons concerned by the Model are required to comply with all the provisions and protocols contained therein and all procedures for their implementation with the utmost integrity and diligence.

11. Significant offences for the company

The adoption of the Model as an instrument capable of guiding the conduct of persons operating within the

Company and promoting, at all levels of the Company, conduct based on legality and propriety, has a positive impact on the prevention of any crime or offence established by law.
However, in order to comply with the specific provisions of the Decree, and in consideration of analysis of the corporate context and activities potentially at risk of offence, only the predicate offences that can occur in the sensitive areas identified in paragraph 16.2 and specified in the individual Special Sections, to which reference is made for an exact discussion, are considered relevant and therefore specifically examined in the Model.

12. Supervisory Board

12.1. Composition

The law does not provide precise instructions as to the composition of the Supervisory Board, leaving ample room for the Company to choose a monocratic or collegiate body. Small companies favour a single-member Board in which a senior manager can serve, while for medium to large companies, collegiate composition is preferred, without senior managers.
Members of the Supervisory Board, including internal members, cannot be assigned duties of a strictly operational nature. Such an assignment would inevitably affect the autonomy and independence of members of the Supervisory Board. In fact, involving even a single member in decisions on the Company's business could prejudice the Company's impartiality of judgment, as well as the judgment of the Supervisory Board at the time of audits.

12.2. Tasks, requirements and powers

12.2.1 Tasks

The tasks of the Supervisory Board are governed by Articles 6 and 7 of Legislative Decree 231/01 and are summarised as:

- monitoring of the effectiveness of the Model;
- review of the Model's adequacy;
- analysis of whether the Model's requirements of soundness and functionality have been maintained over time;
- dynamic updating of the Model (suggestions, proposals and follow-up).

12.2.2 Requirements

The requirements of the Supervisory Board are, *inter alia*:

- **specialist knowledge**. This indication is taken up in the Accompanying Report to Decree No. 231/01;
- **autonomy**, as governed by Article 6, paragraph 1, letter b) of Legislative Decree No. 231/01[10] and **independence**, which means that the Supervisory Board can never take on operational duties[11]. An expression of the autonomy of the Supervisory Board is the allocation to it of an expenditure budget, economic recompense for each member for the work they perform and the responsibilities they assume, and the fact that the Board has its own Regulations;
- **professionalism**: this refers to the cultural and technical background of the member, which is reflected in their curriculum and the specification, which is part of the Model, that each member must have expertise in

[10] See Investigating magistrate, Milan, order of 20.09.2004.
[11] See Investigating magistrate, Court of Rome Judge, 4.04.03.

inspection and consultancy and have technical knowledge relevant to the actual powers of control[12]. It is also desirable that at least one member of the body has legal expertise "… and, more specifically, criminal expertise"[13].

12.2.3 Powers

The powers of the Supervisory Board are, *inter alia*, as follows:

- verification of the effectiveness of the Model;
- monitoring of the Model and the relevant procedures;
- powers of formulation of proposals for updates to management;
- powers of reporting to the managing body;
- an obligation to produce a specific half-yearly report;
- an obligation to forward each communication to the Board of Statutory Auditors;
- free access to all corporate offices and all documents;
- the obligation of adequate financial provision;
- the obligation to establish its own Regulations;
- the obligation to produce an audit plan.

12.3. Information flows to and from the Supervisory Board

12.3.1 Obligations of disclosure to the Supervisory Board

The obligation to inform the Supervisory Board is an additional supervisory tool for ascertainment of the causes that made the perpetration of an offence possible.

All persons concerned by the Model, in compliance with the duties of diligence and the duty of faithfulness established by law (Articles 2104 and 2105 of the Italian Civil Code), must report to the Supervisory Board – in accordance with the flows set out in the attached Appendix – any information that is useful to facilitate the performance of verifications of the correct implementation of the Model. In particular, if each Area Manager finds areas for improvement in the definition or application of the prevention protocols defined in this Model, he/she must promptly write and send to the Supervisory Board a "note" (e.g. a report, email, checklist, etc.) containing at least the following content:

- a description, which may be a summary, of the state of implementation of the prevention protocols for at-risk activities for which he/she is responsible;
- a description, which may be a summary, of verifications of the implementation of prevention protocols and of actions taken to improve their effectiveness;
- an indication, which may be a summary, of any need for changes to the prevention protocols and their implementation procedures;
- any further content, as may be expressly requested by the Supervisory Board from time to time.

In particular, as specified in the Appendix, the obligation to provide information to the Supervisory Board applies to all corporate offices, which may disclose:

- periodic reports summarising any control activities they have performed;
- fact sheets;
- technical reports;

[12] See Court of Naples, 26.6.2007
[13] See page 79, third paragraph of the *Confindustria* Guidelines.

- specific assessments;
- any other document identifying anomalies and atypicalities encountered in the course of their work.

Accordingly, Area Managers, as members of Management, must report the results of the verifications they carry out and not merely pass on information. Information flows organised in this way enable Management to exercise control, while the Supervisory Board (as an assurance mechanism) can only evaluate the findings of verifications that have been performed.
The Supervisory Board will also receive all periodic reports on workplace safety and the environment. The obligation to report to the Supervisory Board is also designed to maintain an adequate level of authority for requests for documentation that the Supervisory Board may require in the course of its verifications. In implementation of the US 'Federal Sentencing Guidelines' and the related 'Compliance Programs', the obligation to provide information also extends to employees who receive information concerning violations of the Organisational Model.

Information reported to the Supervisory Board may concern:
- the issue and updating of organisational documents;
- changes in the management positions in functions involved in at-risk activities;
- the system of corporate mandates and powers, and any updates to them (if provided for or identified);
- the main elements of extraordinary transactions that have been initiated or concluded;
- significant transactions within at-risk areas, including in the light of the instructions given in the Special Section;
- any information useful for assessing the implementation of the safety and environment system (e.g. including accident analysis and risk assessments);
- reports produced by Area Managers and Process Managers as part of their verification duties, from which facts, actions, events or omissions, from which aspects relevant to compliance with the provisions of the Decree, the Model or the Code of Ethics may emerge;
- disciplinary proceedings initiated as a result of violations of the Model or as a result of grave acts committed by an employee against the company;
- any request for legal assistance by managers/employees against whom the judiciary is proceeding pursuant to Decree 231/01;
- decisions concerning an application for the disbursement and use of public funds;
- any communication from the Police's Criminal Investigation Department or authorities;
- the establishment of internal committees of enquiry in response to any possible Degree 231/01 liability;
- verification of orders obtained from public bodies or public utilities;
- information on the progress of company activities, as defined in detail in the procedures for implementation of the protocols indicated in the Special Parts of the Model;
- any information that may for any reason be useful for the exercise of supervisory activities.

It is understood that Area Managers who submit a communication for their specific area must– in the event of a negative judgement by the Supervisory Board – refrain from making any judgement or comment in order to avoid potential situations of incompatibility. Information provided to the Supervisory Board is intended to enable the Board to improve its planning and controls. Decisions as to whether to take action are entirely at

the Board's discretion.

It should be noted that the effectiveness of the reporting system is dependent on the maintenance of the guarantee of confidentiality of communications.

All employees and members of the Company's corporate bodies are required to promptly report the perpetration or alleged perpetration of the offences referred to in the Decree of which they become aware, as well as any violation or alleged violation of the Code of Ethics, the Model, or the procedures established to implement it of which they become aware. All employees and members of the Company's corporate bodies may seek clarification from the Supervisory Board regarding the correct interpretation and application of this Model, the prevention protocols, the relevant implementation procedures and the Company's Code of Ethics.

Contract staff and all persons external to the Company are obliged, in the context of their work for the Company, to promptly report any of the violations referred to in the preceding point directly to the Supervisory Board. This obligation must be specified in contracts between such persons and the Company, or disseminated by appropriate operational instructions.

In order to allow for timely compliance with the provisions of this paragraph, a mailbox (odv@tamburi.it) has been established, together with physical post boxes on Company premises, to enable employees, members of the Company's corporate bodies and external contractors to report to the Supervisory Board. Persons concerned may also send reports orally or send them to the Supervisory Board by internal mail.
The principle of confidentiality must be guaranteed for every report, including in those made in accordance with whistleblowing legislation.
With regard to the management of anonymous reports, as in the case of the new whistleblowing protocols, they will only be taken into consideration if they concern facts that are substantiated and/or accompanied by specific documentation.

If oral reports are not communicated directly to the Supervisory Board, the Area Manager must compile a record of the interview with the assistance of a member of the Supervisory Board. In all cases Area Managers, including individually, must promptly report to members of the Supervisory Board any communication they may receive concerning the Organisational Model or the application of the Decree.

12.3.2. Disclosure to corporate bodies

At the beginning of the financial year and at least once a year, the Supervisory Board compiles and defines a working plan for each individual inspection, to which documentation will be added attesting to the outcome of the verifications. The Board reports to the Board of Directors unless otherwise established in this Model.

Unless there are particular requirements of privacy and confidentiality for the performance of its duties, the Supervisory Board shall promptly inform the Board of Directors of significant facts and circumstances coming under its remit or any urgent critical issues with the Model that have arisen in the course of its supervisory activities or that are reported by Area Managers.

At least every six months, the Supervisory Board produces a written report for the for the Board of Directors and, if requested by the latter, for other control bodies (the Board of Statutory Auditors, the independent auditors and, where applicable, internal audit office). The said report must, as a minimum, contain the following information:

a) a summary of the activities performed by the SB during the year;
b) a description of any problems that have arisen in relation to operating procedures for implementing the provisions of the Model;
c) a description of any new activities at risk of an offence that have been identified;
d) in accordance with confidentiality obligations, an account of reports received from internal and external persons, including any directly encountered evidence regarding alleged violations of the provisions of this Model, the prevention protocols and the relevant implementation procedures, together with any violations of the provisions of the Code of Ethics and the outcome of the consequent verifications;
e) information on any perpetration of predicate offences;
f) any disciplinary measures and sanctions applied by the Company in response to violations of the provisions of this Model, the prevention protocols, the relevant implementation procedures and the Code of Ethics;
g) an overall assessment of the functioning and effectiveness of the Model, with any proposals for additions, corrections or amendments;
h) reporting on any changes in the regulatory framework, significant changes in the internal structure of the Company or in the manner in which the Company's business is conducted that requires an update of the Model;
i) reporting of any conflict of interest, including potential conflict of interest;
j) a statement of expenses incurred.

The report must be duly retained and filed in a manner that restricts access to members of the Supervisory Board or the Board of Directors.

The Board of Directors and the other control bodies are entitled to summon the Supervisory Board at any time to report to them of the Supervisory Board's work. Conversely, the Supervisory Board may request the convocation of the Board of Directors and other control bodies.

12.4. The Supervisory Board in TIP

In view of the company structure, TIP has decided to establish a Supervisory Board with a collegial composition.

The Supervisory Board is appointed by the Board of Directors, in a reasoned decision that acknowledges that it meets the requirements of professionalism, autonomy and independence.

It is essential that the Board of Directors' selection of members of the Supervisory Board includes verification that they possess specific professional skills, not simply an assessment of their CV, but an actual verification that the candidate members have expertise in "*inspection, consultancy or specific technical skills in order to ensure the effectiveness of the powers of control and the power to make proposals that are required of the Board*". The Board of Directors must also assess whether at least one member of the Collegiate Board of Directors has specific expertise in criminal law, as indicated, *inter alia*, on page 79 of the new guidelines.

The Board of Directors examines the information provided by candidates for appointment of the Supervisory Board, or that is otherwise available to the Company, in order to assess whether they meet the established

requirements.
Upon acceptance of the position, each member of the Supervisory Board, after reviewing the Model and formally adhering to the Code of Ethics, must undertake to perform the duties assigned to them, guaranteeing the necessary continuity of action and their own independence and autonomy, and must immediately notify the Board of Directors of any event that could affect their maintenance of the requirements outlined above.
Following the appointment of the Supervisory Board, the Board of Directors periodically verifies that its members continue to meet the established requirements.

In the event of forfeiture, death, resignation or revocation, the Board of Directors shall promptly replace the ceased member.

In order to guarantee its full autonomy and independence, the Supervisory Board remains in office for a three-year period, unless otherwise decided by the Board of Directors or by the Shareholders' Meeting.
Members of the Supervisory Board may call on the services of a "Permanent Invitee" to act as Secretary.
The Supervisory Board produces its own Regulations, which set out the rules for its operation and the methods for management of information flows.
The Supervisory Board must guarantee a flow of information to the Management at least every six months, my means of a specific report.
The Supervisory Board has autonomous powers of initiative, control and expenditure on the basis of an annual expenditure budget approved by the Board of Directors on the proposal of the Board. It compiles an annual expenditure plan for the work it intends to perform in the following year, to be submitted to the Board of Directors and the Board of Statutory Auditors within 90 days of the end of the financial year.
The Supervisory Board may request a supplement to the funds assigned to it if they are not sufficient to effectively fulfil its duties and, on its own initiative, may extend its autonomy of expenditure in the presence of exceptional or urgent situations, which must be the subject of a subsequent report to the Board of Directors.

12.5. Grounds for ineligibility or forfeiture

It is understood that it is not possible to assign operational duties to members of the Supervisory Board that could affect the impartiality of an overall assessment. Therefore, the following persons are considered ineligible:
- employees of the Company;
- the Company's in-house legal counsel;
- persons who positions of administration and management control;
- persons belonging to the health and safety function;
- the environmental Delegate.

12.6. Revocation

Members of the Supervisory Board may only be revoked for just cause, by resolution of the Board of Directors following consultation with the Board of Statutory Auditors. 'Just cause' is understood gross negligence in the performance of the tasks one's office such as, *inter alia*:
- failure to produce half-yearly reports on the Supervisory Board's work for the Board of Directors;
- failure to compile the Supervisory Board's Plan of Verifications (as provided for by the Supervisory Board itself in accordance with the provisions of this Model);

- failure to verify the reports of Persons Concerned regarding the perpetration or alleged perpetration of offences referred to in the Decree, or violation or alleged violation of the Code of Ethics, the Model, or the procedures established to implement it;
- the assignment of operational duties and responsibilities within the Company organisation that are incompatible with the Supervisory Board's obligations of autonomy, independence and continuity of action.

12.7. Whistleblowing system

On 29 December 2017, Law No. 179 entered into force – containing "*Provisions for the protection of whistleblowers that report offences or irregularities that have come to their attention in public or private employment*". The objective of the law is to encourage employees to report unlawful acts within public and private bodies. As a result of the legislative provision, companies with a 231 Model implemented:

- procedures for making whistleblowing reports;
- procedures for handling such reports.

In response to the legislation, the Company prepared an *ad hoc* appendix entitled *"Procedure for reporting unlawful acts and irregularities (Whistleblowing)"*. Furthermore, in order to ensure responsible management that is in accordance with legislative requirements, TIP implemented a Whistleblowing procedure that is designed to protect persons who report the predicate offences provided for by the Decree or any other irregularity in the implementation of the Organisation and Management Model.

Therefore, pursuant to Article 6 of Legislative Decree 231/01, paragraph 2*bis*, the Company:

- established dedicated reporting channels that enable the persons indicated in Article 5, first paragraph, letters a) and b) of Legislative Decree 231/01 to submit, for the protection of the Company's integrity, reports of conduct that is unlawful pursuant to the Decree, together with violations of the Model and any other violation of laws, regulations, policies, rules or company procedures of which they became aware in the course of their duties;
- guaranteed the confidentiality of the Whistleblower's identity through the introduction of dedicated physical whistleblower report report boxes;
- established an alternative computerised reporting channel that guarantees the confidentiality of the Whistleblower's identity;
- prohibited any act of retaliation or discrimination, direct or indirect, against a Whistleblower for reasons related, directly or indirectly, to their report;
- protected the reported person by *ad hoc* measures.

The Company also identified a person concerned to receive whistleblowing reports mandated to take any action, including investigative action, to gain an understanding of the basis of the report and, where appropriate, through the relevant corporate departments, instigate disciplinary procedures and the relevant sanctions in accordance with the relevant National Collective Labour Agreement.

Today, the new rules have undergone a significant change following the implementation in Italian law, through Legislative Decree 24 of 10 March 2023, of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019.

The implementation decree regulates, even greater in detail, the protection of persons who report violations of national or EU regulatory provisions that affect the public interest or the integrity of the public or private administration or entity, of which they become aware in the course of public or private employment.

The provision now distinguishes between the activation of internal reporting channels (management of which may be entrusted to a dedicated, autonomous internal person or office with specifically trained personnel, or to an external, also autonomous, person) or an external party (with the involvement of ANAC), emphasising the importance of guaranteeing the confidentiality of the identity of the reporting person, the person involved, and the person mentioned in the report, as well as the content of the report and its communication.
The focus of the decree is the prohibition of retaliation against a whistleblower and the establishment of sanctions – on a graduated scale and applicable by the Italian National Anti-corruption Authority (ANAC) – in three separate situations:

- when retaliation is ascertained to have taken place, or when it is determined that the report was obstructed, or that an attempt was made to obstruct it, or that an obligation of confidentiality was violated (a fine of between €10,000 and €50,000);
- when it is ascertained that no reporting channels were established and that no procedures for making and handling reports have been adopted (penalties of between €10,000 and €50,000);
- when the whistleblower is found to be criminally liable for the offences of defamation or slander (a fine of between €500 and €2,500).

Accordingly, TIP adapted its procedure to the new legislative provisions by providing for an internal reporting channel (by written means through an IT system) and identifying an external lawyer appointed by the Company as the Receiver .
See the text of the procedure and the relevant operating instructions for details of its application.

It is understood that compliance with the instructions contained in Regulation (EU) No. 2016/679 (the GDPR) will be maintained in the management of the whistleblowing procedure.

Finally, it should be noted that in the event that the report concerns the Receiver identified, it must be sent by registered letter with return receipt indicating "*private and confidential*" for the attention of the Chief Executive Officer of the Company, Alessandra Gritti, at Via Pontaccio No. 10, 20121 Milan, or to the email address tamburi.spa@legalmail.it.

12.7.1. Sanctions related to the Whistleblowing procedure

In compliance with the new provisions described in the previous chapter, the Model establishes a prohibition of any act of discrimination against Whistleblowers. In addition to the sanctions that the Supervisory Authority - the Italian National Anti-corruption Authority (ANAC) may impose, TIP refers to the disciplinary system adopted by the Company itself for the applicability of sanctions against those who violate measures to protect the whistleblower and those who, by fraud or gross negligence, make unfounded reports, asserting not only the provisions of the new legislation on whistleblowing, but also the provisions of Article 2, paragraph 2 *quater*, of Legislative Decree 231/01 on the invalidity of retaliatory and discriminatory measures (dismissal, change of employment, etc.).

13. The penalty system

13.1. General principles for cases of violation of the Model or the Code of Ethics

Article 6, paragraph 2, letter e) of the Decree establishes that: *"… in accordance with the extent of the delegated powers and the risk that offences will be committed, the models referred to in point (a) of paragraph 1 must fulfil, ... the need to introduce a disciplinary system that is capable of sanctioning non-compliance with the measures established in the model".*

The establishment of an *ad hoc* disciplinary system is an essential and necessary requirement for the validity of organisational models. As has been confirmed by consolidated case law, in the absence of such a penalty system, the model cannot be considered validly adopted and therefore effective.

The main function of the disciplinary system is, *inter alia* to:

- render the Organisational Model implemented and effective;
- support the control measures put in place by the 231 Supervisory Board.

The disciplinary system, in its structure, must:

- sanction the contravener of the rules and protocols of the Model and the Code of Ethics, irrespective of whether or not the contravention arises from the perpetration of an offence;
- be drafted in written form and adequately disseminated as an essential part of the Organisational Model and the Code of Ethics;
- be compatible with existing regulations and contractual agreements;
- be implemented by appropriate and effective measures.

The disciplinary system must also recognise a preventive as well as a punitive function.

With regard to the punitive aspect of the disciplinary system, it should be noted that it must impose a 'graduated scale' of applicable sanctions, corresponding to the varying degree of danger that the conduct may present in relation to the perpetration of offences.

In this section, and more generally in the Organisational Model and in the Code of Ethics, a 'disciplinary system' has been created which primarily sanctions all violations of the Model and the Code of Ethics - to which reference is made in the relevant section - from the most serious to the most mild, through a graduated scale of penalties that complies with the principle of proportionality between a detected violation and the sanction imposed.

The application of the disciplinary system and the relevant sanctions is independent of the procedure and outcome of any criminal proceedings that may be initiated by the judicial authorities, if the conduct to be sanctioned also constitutes an offence relevant pursuant to Legislative Decree No. 231/2001.

In practice, the disciplinary system, which is an integral part of the TIP Model, is addressed to employees, managers, directors, auditors, consultants and contract staff who, in various capacities, provide their work and services to the Company. It establishes adequate disciplinary sanctions that comply with the principles outlined above and that may be of a pecuniary nature.

It should also be noted that any violation on the part company employees and/or executives of the rules of conduct established in the Model constitutes a breach of the obligations of their employment pursuant to Articles 2104 and 2106 of the Italian Civil Code. More specifically:

Article 2104 - Employee duty of care:

1. The employee must use the diligence required by the nature of the work to be performed, the interests of the enterprise and in the superior interest of national production.

2. The employee must also comply with instructions for the performance and discipline of their work as provided by the employer and by other employees who are hierarchically superior.

Article 2106 - Disciplinary sanctions:

1. Failure to comply with the provisions of the two preceding articles may result in disciplinary sanctions, depending on the gravity of the infringement and in accordance with the applicable regulations.

13.2. Violation of the Model and the Code of Ethics

Purely by way of non exhaustive example, the following are some types of conduct that could be subject to sanction:

- actions, conduct or omissions that are inconsistent with the provisions of the 231 Model, the relevant Protocols and Appendices/Annexes, including the Code of Ethics, that make up it;
- actions, conduct or omissions that are not compliant with the Code of Ethics and the Protocols and Appendices/Annexes that make up it;
- facilitating the incomplete or untruthful drafting of documentation required by this Model, the Prevention Protocols and the relevant implementation procedures, as well as the details of the Code of Ethics;
- facilitating the incomplete or untruthful drafting by third parties of documentation required by this Model, the Prevention Protocols and the relevant implementation procedures, as well as the details of the Code of Ethics;
- failing to produce the documentation required by this Model, the Prevention Protocols, the relevant implementation procedures and the Code of Ethics;
- violation or circumvention of the control system established by the Model or by the Code of Ethics, by any method this objective is achieved, such as, for example, by the removal, destruction or alteration of procedural documentation, by the obstruction of controls, or by the obstruction of access to information and documentation by persons responsible for monitoring procedures and decision-making;
- failing to fulfil reporting obligations to the Supervisory Board on issues and matters that:
  - expose the Company to an objective risk of the perpetration of one of the offences contemplated by Legislative Decree 231 of 2001;
  - unambiguously reveal the perpetration of one or more of the offences contemplated by Legislative Decree No. 231 of 2001;
  - result in the application to the Company of the penalties provided for by Legislative Decree 231/2001;
  - result in the violation or circumvention of the control system established by the Model, by any method this objective is achieved, such as, for example, by the removal, destruction or alteration of procedural documentation, by the obstruction of controls, or by the obstruction of access to information and documentation by persons responsible for monitoring procedures and decision-making;
  - in the context of whistleblowing, that result in, *inter alia*:
    - actions or conduct in violation of the measures established to protect the Whistleblower;
    - retaliation or discriminatory measures, direct or indirect, against a Whistleblower for reasons related, directly or indirectly, to their report;
    - the making of reports in bad faith or with gross negligence that prove to be unfounded.

It should also be noted that non compliance - in the performance of so-called "Sensitive activities" - with the corporate instruments that are part of the control safeguards set out in Model 231, together with violation of the principles established in the Code of Ethics, constitutes a violation of the Organisational Model.

In addition to the conduct briefly outlined above, it should be noted that the disciplinary system also covers infringements of the principles, conduct and control points contained in the Model and the Code of Ethics, and identifies the penalties for employees in accordance with current legislation and/or national collective labour agreements (CCNL) as indicated below. The disciplinary system is in all cases binding on all employees and, pursuant to Article 7, paragraph I, of Law No. 300/1970, must be accessible by all by its "posting in an accessible place".

The ascertainment of offences, disciplinary proceedings, and the imposition of sanctions is the responsibility of the human resources department.

The Company is prohibited from committing any act of retaliation or discrimination, direct or indirect, against Whistleblowers.

The adoption and application of any concrete measures that discriminate against Whistleblowers may be reported to the Italian National Labour Inspectorate, for matters within its competence, or may be reported by the Whistleblower to their trade union.

Any retaliatory and/or discriminatory dismissal of a Whistleblower is null and void. Similarly, any change of job or any other retaliatory or discriminatory measure taken against a Whistleblower is also null and void. In the event of disputes arising from the imposition of disciplinary sanctions or the demotion, dismissal, transfer or subordination of a Whistleblower following the presentation of a report, it is the employer's exclusive responsibility, to demonstrate that such actions were taken for reasons unrelated to the report.

Moreover, the application of disciplinary sanctions is independent of the outcome of any criminal proceedings, since the rules of conduct and internal procedures are binding on those on whom they are imposed regardless of whether an offence is actually committed as a result of their conduct.

13.3. Violation of the Model and the Code of Ethics - penalty system

Disciplinary measures may be imposed in accordance with Article 7 of Law No. 300/1970, the so-called "Statute of Workers' Rights" as subsequently amended and supplemented, and in accordance with the relevant National Collective Labour Agreement.

A. Non-management employees

With respect to this category of employees, conduct constituting a violation of the Model, and the relevant sanctions, is set out below:

1) a verbal reprimand is given to an employee who commits any minor non-compliance with the provisions of the internal procedures established by the Model, or who is responsible for conduct that is mildly negligent and non-compliant with the requirements of the Model, or who fails to report or tolerates minor irregularities in complying with the Model on the part other internal employees;
2) a written reprimand is given to any employee who commits a minor violation of the internal procedures established by the Model (for example failure to follow the prescribed procedures, failure to forward the prescribed information to the Supervisory Board, failure to conduct verifications, etc.), or who, in the performance of duties in sensitive areas, acts in a manner that is contrary to the requirements of the Model. This sanction may also be imposed for offences sanctioned by verbal reprimand, such as failure to report or tolerance of minor irregularities in compliance with the Model committed by other workers in cases where, due to objective circumstances, specific consequences or recidivism, are more grave;
3) a fine not exceeding the sum of four hours of normal remuneration, is imposed on an employee who is a

repeat offender in violating the procedures laid down in the Model or who fails to comply with the requirements of the Model, when performing duties in sensitive areas;

4) a suspension from work without pay for a period of no more than 5 days is imposed on any employee who, by violating the internal procedures laid down in the Model or acting in a manner that is inconsistent with the requirements of the Model when performing duties in sensitive areas, acts contrary to the interests of the Model, or commits actions that are punishable by a written reprimand when, due to objective circumstances, specific consequences or recidivism, the offences are more grave, and in similar cases where the employee has re-offended in cases sanctioned by a written warning. This sanction may also be imposed for failure to report or tolerance of grave irregularities in compliance with the Model on the part of other members staff, or actions that could expose the Company to an objective situation of danger, or cause it to suffer negative repercussions.
5) employees who, when performing duties in sensitive areas, repeatedly act in a manner that is punishable by suspension of up to five days or a fine, are subject to dismissal with notice;
6) employees who, when performing duties in sensitive areas, act fraudulently in violation of the provisions of the Model, resulting in the imposition on the Company of the measures established in the Decree, will be subject to dismissal without notice.

The disciplinary procedure that can lead the application of the measures indicated above is governed by the company procedure of reference, in accordance with the applicable National Collective Labour Agreement. While reference is made to the detailed provisions of the said company procedure, it should be noted in general that:

a) no disciplinary action may be taken against an employee without first notifying him or her of the charge within 20 days of the time when the person competent to issue the notice became aware of the matter;
b) for all disciplinary measures, the employee must be notified in writing, specifically indicating the actions that constitute the infringement;
   the disciplinary measure may not be imposed until five days after such notice, during which the employee may submit his/her justification;
c) the order must be issued within 90 days of the notice, even if the employee does not present any justification, and previous disciplinary sanctions shall not be taken into account for any purpose after two years have passed from their imposition.

B. Management employees

With respect to this category of employees, conduct constituting a violation of the Model, and the relevant sanctions, is set out below:

1) a written reprimand is given to a manager who fails to comply with the provisions of the internal procedures established by the Model, or who repeatedly engages in conduct that is evidently negligent in terms of compliance with the requirements of the Model, or who fails to report or tolerates irregularities in complying with the Model on the part other employees;
2) dismissal pursuant to Article 2118 of the Italian Civil Code is imposed on a manager who gravely and negligently violates the provisions of the Model in such a way as to constitute, either due to the particular nature of the offence or because it is a repeat offence, a "significant" breach of the obligations imposed by the Model, or acts negligently in a manner inconsistent with the provisions of the Model, exposing the Company to an objective situation of danger or causing it to suffer negative repercussions, and fails to report

or tolerate irregularities in compliance with the Model on the part of other employees. It is understood that such omission or tolerance must have exposed the Company to an objective situation of danger or that could lead to negative repercussions for the Company.

3) dismissal for just cause (Article 2119 of the Civil Code) is imposed on a manager who violates the provisions of the Model by conduct that entails the possible application to the Company of the sanctions provided for in the Decree. Such conduct (whether active or passive) must be sufficiently grave to undermine the trust on which their employment was based to such an extent that any continuation of their employment, even temporarily, is impossible.

C. Members of the Board

With reference to this category, conduct constituting a violation of the Model, and the relevant sanctions, is set out below:

1) a formal written warning is given if a minor breach of this Model, the Protocols and related Appendices or the Code of Ethics has been committed in violation of measures put in place to protect whistleblowers;
2) a fine, commensurate with the gravity of the act, amounting to between two and five times their remuneration calculated on a monthly basis, if a non-minor violation of this Model, the Protocols and related Appendices or the Code of Ethics has been committed, and certain measures put in place to protect the whistleblower have been violated;
3) a total or partial revocation of any mandates is imposed if a minor breach of this Model, the Protocols and related Appendices or the Code of Ethics has been committed in violation of measures put in place to protect whistleblowers;
4) the revocation of mandate by resolution of the Board and approved by the Shareholders' Meeting is imposed if a violation this Model, the Protocols and related Appendices or the Code of Ethics has been committed, and a whistleblower was unlawfully sanctioned.

D. Board of Statutory Auditors

If the Board of Statutory Auditors commits a violation, the Supervisory Board must immediately notify the Board of Directors by means of a written report.

In accordance with the Articles of Association, the Board of Directors may adopt appropriate measures, including, for example, the convening a Shareholders' Meeting in order to adopt the most appropriate measures provided for by law.

In the event of violations constituting just cause for revocation, the Board of Directors proposes to the Shareholders' Meeting the adoption of measures within its competence and may take any further steps provided for by law.

This provision applies without prejudice to compensation for any damages caused to the Company.

E. Independent Auditors

If the independent auditors commit a violation, the Supervisory Board must immediately notify the Board of Directors by means of a written report.

In accordance with the Articles of Association, the Board of Directors may adopt appropriate measures, including, for example, the convening a Shareholders' Meeting in order to adopt the most appropriate measures provided for by law.

In the event of violations constituting just cause for revocation, the Board of Directors proposes to the Shareholders' Meeting the adoption of measures within its competence and may take any further steps provided for by law.
This provision applies without prejudice to compensation for any damages caused to the Company.

F. Third party persons concerned by the model

Any conduct on the part of consultants, contract staff or other third parties connected to the Company by a contractual relationship that is not an employee, in violation of the provisions of the Model and/or the Code of Ethics, may result, in accordance with the provisions of the specific contractual clauses included in the letters of appointment, or in their absence, by any disciplinary system adopted by the Company, in the termination of the contractual relationship, without prejudice to any claim for compensation if such conduct causes damage to the Company, irrespective of the termination of the contractual relationship.

13.4. Sanctions related to the Whistleblowing procedure

The sanctions indicated above and the processes for imposing them must also apply, within the limits set out above and for the respective categories, with respect to any failure to comply with the procedure and instructions regulating whistleblowing.
More specifically, disciplinary proceedings will be initiated and, if necessary, a sanction to be imposed whenever:

- measures to protect the Whistleblower have been violated,
- a report that proved to be unfounded was made fraudulently or with gross negligence.

The Supervisory Board shall immediately notify the Board of Directors, which shall take the most appropriate measures as provided by law.
This provision applies without prejudice to compensation for any damages caused to the Company.

14. Communication and training

14.1. Communication

TIP shall ensure that all Persons Concerned shall be properly informed and the Model and the Code of Ethics shall be properly disseminated.
As soon as the Model and the Code of Ethics are approved or when amended, they are communicated to all Company personnel by the Chief Executive Officer and the Supervisory Board according to the most appropriate means of dissemination as well as internal information notes and by access to the IT system.

The Chief Executive Officer, in consultation with the Supervisory Board, shall establish methods for determining whether the Model and the Code of Ethics have been received by Company personnel.
Forms of communication of the Model and the Code of Ethics are also provided upon the recruitment of new employees and during training activities.
For external personnel who are persons concerned by the Model and the Code of Ethics, specific forms of communication of the Model and the Code of Ethics are provided for at the time of entering into their contract.
Contracts governing relations with such persons must establish clear responsibilities with regard to compliance with the Company's corporate policies, and in particular the Code of Ethics and the Model.

14.2. Training

TIP undertakes to implement periodic training programmes in order to ensure effective awareness and dissemination of the Code of Ethics and the Model, including its updates or amendments, on the part employees and members of corporate bodies.
The training programmes cover the decree and the reference regulatory framework, the Code of Ethics and this Model. The level of training is modulated, with a different degree of detail, in relation to the category of the persons concerned and the various levels of involvement in sensitive activities.

Personnel training for the purposes of implementing the Model is managed by the Supervisory Board with the assistance, where appropriate, of internal Company personnel or external consultants. The various training courses may be provided by means of:

- face-to-face lessons, in person or through a telematic platform, with the use of attendance registers, learning tests and the issue of attendance certificates;
- an e-learning platform with time-lock on slides (an advisable measure), intermediate tests, a final summary test and the power to monitor trainee logins and logouts.

The Supervisory Board may verify the adequacy of training programmes, the methods of implementation and their results.

Participation in the training programmes referred to in this paragraph is mandatory. Any violation of these obligations constitutes a violation of the Model and is subject to the provisions of the Penalty System.