MODEL OF ORGANISATION AND MANAGEMENT OF NTT DATA ITALIA GOV & TECH S.R.L. PURSUANT TO LEGISLATIVE DECREE 231/2001

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SUMMARY

GENERAL PART

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1. LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001 ON THE ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS, INCLUDING THOSE WITHOUT LEGAL PERSONALITY

1.1 The Administrative Liability of Legal Persons

Legislative Decree no. 231 of 8 June 2001, implementing Delegated Law no. 300 of 29 September 2000, introduced in Italy the "*Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality*" (hereinafter, for the sake of brevity, also referred to as "**Legislative Decree no. 231 of 2001**" or the "**Decree**"), which is part of a broad legislative process to fight corruption and to adapt the Italian regulations on the liability of legal persons with a number of International Conventions previously signed by Italy, in particular:

- Brussels Convention of 26 July 1995 on the Protection of the European Community's Financial Interests;
- Brussels Convention of 26 May 1997 on Combating Corruption of Public Officials of the European Community and of the Member States;
- OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions.

Legislative Decree No. 231 of 2001 therefore establishes a system of administrative liability (substantially comparable to criminal liability) for legal persons[1] (hereinafter, for the sake of brevity, referred to as the "**Entity/Entities**"), in addition to the liability of the natural person (better identified below) who is the material author of the offence and which aims to involve, in the punishment of the offence, the Entities in whose interest or advantage the offence was committed. This administrative liability exists only for the offences exhaustively listed in the same Legislative Decree No. 231 of 2001.

Article 4 of the Decree further specifies that in certain cases and under the conditions laid down in Articles 7, 8, 9 and 10 of the Criminal Code, the administrative liability of Entities having their head office in the territory of the State for offences committed abroad by natural persons (as better identified below) subsists, provided that the State

[1] Article 1 of Legislative Decree No. 231 of 2001 delimited the scope of the recipients of the legislation to '*entities with legal personality, companies and associations, including those without legal personality*'. In light of this, the legislation applies to:

- entities with private subjectivity, i.e. entities with legal personality and associations 'even without' legal personality;
- entities with public subjectivity, i.e. entities with public subjectivity but without public powers (so-called 'economic public entities');
- entities with mixed public/private entities (so-called 'mixed companies').

On the other hand, the following are excluded from the list of addressees: the State, territorial public entities (Regions, Provinces, Municipalities and Mountain Communities), non-economic public entities and, in general, all entities that perform functions of constitutional importance (Chamber of Deputies, Senate of the Republic, Constitutional Court, General Secretariat of the Presidency of the Republic, C.S.M., etc.).

of the place where the criminal act was committed does not act against such Entities.

1.2 The Persons whose conduct determines the liability of the Entity pursuant to Legislative Decree No. 231 of 2001

The persons who, by committing an offence in the interest or to the advantage of the Entity, may determine its liability are listed below:

(i) natural persons holding top management positions (representation, administration, or management of the Entity or of one of its organisational units with financial and functional autonomy or persons exercising de facto management and control: hereinafter, for the sake of brevity, referred to as "**Senior Persons**"),

(ii) natural persons subject to the direction or supervision of one of the Senior Persons (hereinafter, for brevity, referred to as "**Subordinates**").

In this regard, it should be noted that it is not necessary for Subordinate Persons to have a dependent employment relationship with the Entity, since this notion also includes "*those employees who, although not employees of the Entity, have a relationship with it such as to lead to the assumption of a supervisory obligation on the part of the management of the Entity itself: for example, agents, partners in joint ventures, the so-called para-employees in general, distributors, suppliers, consultants, collaborators*"[2] .

In fact, according to the prevailing doctrine, situations in which a particular task is entrusted to external collaborators, who are required to perform it under the direction or control of Senior Persons, are relevant for establishing the Entity's administrative liability.

However, it should be reiterated that the Entity is not liable, by express legislative provision (Article 5(2) of the Decree), if the aforementioned subjects have acted exclusively in their own interest or in the interest of third parties. In any case, their conduct must be related to that "organic" relationship for which the acts of the natural person can be charged to the Entity.

1.3 Predicate Offences

The Decree refers to the following types of offences (hereinafter also referred to, for the

[2] Thus verbatim: Circular Assonime, dated 19 November 2002, No 68.

sake of brevity, as the "**Predicate Offences**"):

i) **offences against the Public Administration**, provided for by Articles 24 and 25 of the Decree, subsequently amended by Law No. 190 of 6 November 2012, Law No. 3 of 16 January 2019, and Legislative Decree No. 75 of 14 July 2020. These offences were last amended by Decree-Law No. 4 of 27 January 2022, converted, with amendments, into Law No. 25 of 28 March 2022 by Legislative Decree No. 105 of 10 August 2023, converted, with amendments, by Law No. 137 of 9 October 2023.
Offences against the Public Administration include: undue receipt of public funds, fraud to the detriment of the State or a public body or the European Union or for the purpose of obtaining public funds, computer fraud to the detriment of the State or a public body, fraud in public supplies, concussion, undue induction to give or promise other benefits, bribery (including international bribery) incitement to corruption and trafficking of unlawful influences, fraud in the performance of public supply contracts (including to the detriment of the European Union), fraud for the purpose of obtaining disbursements from European agricultural funds, embezzlement (including by profiting from others' errors) and abuse of office - when the act offends the financial interests of the European Union, disturbance of freedom of invitations to tender and disturbance of the procedure for choosing a contractor.

ii) **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 of 2001; in 2019, crimes related to the perimeter of national cyber security were also included in Article *24-bis* (Decree-Law 105/2019);

iii) **organised crime offences**, introduced by Article 2(29) of Law No. 94 of 15 July 2009, which inserted Article *24-ter* into Legislative Decree No. 231 of 2001;

iv) **offences related to counterfeiting money, public credit cards, revenue stamps and identification instruments or signs**, introduced by Article 6 of Law no. 409 of 23 November 2001, which inserted Article *25-bis* into Legislative Decree no. 231 of 2001, subsequently supplemented by Article 15(7)(a) of Law no. 99 of 23 July 2009;

v) **offences against industry and trade**, introduced by Article 15(7)(b) of Law No. 99 of 23 July 2009, which inserted Article 25-bis.*1 into* Legislative Decree No. 231 of 2001;

vi) **corporate offences**, introduced by Legislative Decree No. 61 of 11 April 2002, which inserted Article 25-ter into Legislative Decree No. 231 of 2001,

subsequently supplemented by Legislative Decree No. 262 of 28 December 2005, Law No. 190 of 6 November 2012, Law No. 69 of 27 May 2015, Legislative Decree No. 38 of 15 March 2017, and most recently by Legislative Decree No. 19 of 2 March 2023.

vii) **offences with 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 of 2001;

viii) **offences against physical safety**, with particular reference to female sexual integrity, introduced by Law No. 7 of 9 January 2006, which inserted Article *25-quater*.1 into Legislative Decree No. 231 of 2001;

ix) **crimes against the individual**, introduced by Law No. 228 of 11 August 2003, which inserted Article 25-quinquies into Legislative Decree No. 231 of 2001, subsequently amended by Law No. 38 of 6 February 2006, by Legislative Decree No. 39 of 4 March 2014, and by Law No. 199 of 29 October 2016, as well as, most recently, by Law No. 238 of 23 December 2021;

x) **market abuse offences**, provided for by Law No. 62 of 18 April 2005, which included Article *25-sexies in* Legislative Decree No. 231 of 2001 and Article *187-quinquies* "Liability of the Entity" in the TUF;

xi) **offences of culpable homicide or serious or massive injuries**, committed in breach of the rules on the protection of health and safety at work, introduced by Law No. 123 of 3 August 2007, which inserted Article *25-septies* into Legislative Decree No. 231 of 2001, subsequently amended by Legislative Decree No. 81 of 9 April 2008;

xii) **offences of receiving stolen goods, money laundering and the use of money, goods or benefits of unlawful origin, as well as self-laundering**, introduced by Legislative Decree No. 231 of 21 November 2007, which inserted Article *25-octies* into Legislative Decree No. 231 of 2001, subsequently amended by Law No. 186 of 15 December 2014 and Legislative Decree No. 90 of 25 May 2017, as well as most recently by Legislative Decree No. 195 of 8 November 2021;

xiii) **offences relating to non-cash payment instruments and fraudulent transfer of values**, introduced by Legislative Decree No. 184 of 14 December 2021, which inserted Article *25-octies*.1 into Legislative Decree 231/2001, subsequently amended by Legislative Decree No. 105 of 10 August 2023, converted with amendments by Law No. 137 of 9 October 2023;

xiv) **offences regarding the violation of copyright**, introduced by Article 15(7)(c) of Law No. 99 of 23 July 2009, which inserted into Legislative Decree No. 231 of 2001 Article *25-novies*, subsequently amended by Law No. 116 of 3 August 2009 and by Legislative Decree No. 121 of 7 July 2011;

xv) **the 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, which inserted Article *25-decies*[3] into Legislative Decree No. 231 of 2001;

xvi) **environmental offences**, introduced by Legislative Decree No. 121 of 7 July 2011, which inserted Article *25-undecies* into Legislative Decree No. 231 of 2001, subsequently amended by Law No. 68 of 22 May 2015 (so-called "Eco-crimes");

xvii) **transnational crimes**, introduced by Law No. 146 of 16 March 2006, "*Law ratifying and implementing the United Nations Convention and Protocols against transnational organised crime*";

xviii) **the crime of employing third-country citizens whose stay is irregular**, introduced by Legislative Decree No. 109 of 16 July 2012, concerning the "*Implementation of Directive 2009/52/EC introducing minimum standards on sanctions and measures against employers who employ third-country citizens whose stay is irregular*", which inserted Article *25-duodecies* into Legislative Decree No. 231 of 2001, subsequently amended by Law No. 161 of 17 October 2017*;*

xix) **offences of bribery among private individuals**, introduced by Law No. 190 of 6 November 2012, which inserted a letter *s-bis* to Article *25-ter*, paragraph 1, into Legislative Decree No. 231 of 2001, subsequently amended by Legislative Decree No. 38 of 15 March 2017.

xx) **crimes of racism and xenophobia**, introduced by Law No. 167 of 20 November 2017, which inserted Article *25-terdecies* into Legislative Decree No. 231 of 2001;

xxi) **offences of fraud in sports competitions, abusive gaming or betting and gambling exercised by means of prohibited devices,** introduced by Law No. 39 of 3 May 2019, which inserted Article *25-quaterdecies* into Legislative Decree No. 231 of 2001;

xxii) **tax offences,** including the offence of fraudulent declaration through the use of invoices or other documents for non-existent transactions, fraudulent declaration through other artifices, issuance of invoices or other documents for non-existent transactions, concealment or destruction of accounting

[3] Originally *25-novies* and so renumbered by Legislative Decree 121/2011.

documents, fraudulent evasion of tax payments **-** Articles 2, 3, 8, 10, 11 of Legislative Decree no. 74 of 2000 - introduced by Law no. 157, which inserted Article 25-*quinquiesdecies* into Legislative Decree No. 231 of 2001*;* untrue declaration, omitted declaration and undue compensation if the act is committed: (*a)* as part of cross-border fraudulent schemes; (*b)* in order to evade value added tax for a total amount of not less than ten million euros - Articles 4, 5 and *10-quater of* Legislative Decree No. 74 of 2000 - introduced by Legislative Decree No. 75 of 14 July 2020;

xxiii) contraband offences under Presidential Decree No. 43/1973, introduced by Legislative Decree No. 75 of 14 July 2020, which inserted Article *25-sexiedecies* into Legislative Decree No. 231 of 2001;

xxiv) offences against cultural heritage, introduced by Law No. 22 of 9 March 2022, which inserted Articles *25-septiesdecies* and 25-*duodevicies* into Legislative Decree No. 231 of 2001.

1.4 The Sanctions laid down in the Decree

Legislative Decree No. 231 of 2001 provides for the following types of sanctions applicable to entities covered by the legislation:

(a) administrative fines;
(b) disqualifying sanctions;
(c) confiscation of the price or profit of the offence;
(d) publication of the judgment.

(a) The administrative fine, governed by Articles 10 et seq. of the Decree, constitutes the "basic" and necessary sanction, for the payment of which the Entity is liable with its assets or with the common fund (which, in associations, consists of individual members' contributions).

The legislature adopted an innovative criterion for the commensuration of the pecuniary sanction, attributing to the Judge the obligation to proceed with two different and successive assessments, to ensure the effectiveness of the sanction compared with the seriousness of the offence and the Entity's economic conditions.

The first assessment requires the judge to determine the number of shares (in any event not less than one hundred, nor more than one thousand)[4] considering:

[4] With reference to *market abuse* offences, the second paragraph of Article *25-sexies* of Legislative Decree No. 231 of 2001 provides that: "*If, as a result of the commission of the offences referred to in paragraph 1, the product or profit obtained by the entity is significant, the penalty is increased up to ten times such product or profit*".

- the seriousness of the fact;

- the degree of accountability of the Entity;

- the activity carried out to eliminate or mitigate the consequences of the act and to prevent the commission of further offences.

During the second assessment, the Judge determines, within the minimum and maximum values predetermined in relation to the offences sanctioned, the value of each share, from a minimum of Euro 258.00 to a maximum of Euro 1,549.00. This amount is fixed "*on the basis of the economic and patrimonial conditions of the entity in order to ensure the effectiveness of the sanction*" (Articles 10 and 11(2) of Legislative Decree No. 231 of 2001).

As stated in point 5.1. of the Report to the Decree, "*regarding the methods for ascertaining the entity's economic and asset conditions, the judge may use the financial statements or other records that are in any event capable of providing a snapshot of such conditions. In certain cases, evidence may also be obtained by considering the size of the entity and its position on the market.* (...) *The judge has to immerge himself, with the help of consultants, in the reality of the company, where he will also be able to draw the information relating to the state of economic, financial and patrimonial solidity of the entity*".

Article 12 of Legislative Decree No. 231 of 2001 provides for several cases in which the fine is reduced. They are schematically summarised in the following table, indicating the reduction that has been made and the prerequisites for its application.

Reduction	**Prerequisites**
1/2 (and may not in any case exceed Euro 103,291.00)	• The offender committed the offence in its own predominant interest or in the interest of third parties *and* the Entity did not gain an advantage or gained a minimal advantage; ***and*** • the pecuniary damage caused is of particular tenuousness.

Reduction	Prerequisites
From 1/3 to 1/2	[Before the declaration of the opening of the first instance hearing]. • The Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence, or has in any case taken effective steps to do so; *or* • an organisational model suitable for preventing offences of this kind has been implemented and made operational.
From 1/2 to 2/3	[Before the declaration of the opening of the first instance hearing]. • The Entity has fully compensated the damage and eliminated the harmful or dangerous consequences of the offence, or has in any case taken effective steps to do so; ***and*** • an organisational model suitable for preventing offences of this kind has been implemented and made operational.

(b) The following **prohibitory sanctions are** provided for by the Decree and apply only in relation to the offences for which they are expressly foreseen:

- disqualification from carrying on business activities;

- suspension or revocation of authorisations, licences or concessions functional to the commission of the offence;

- prohibition of contracting with the Public Administration, except to obtain the performance of a public service;

- exclusion from facilitations, financing, contributions and subsidies, and/or the revocation of those already granted;

- ban on advertising goods or services.

For the imposition of prohibitory sanctions, at least one of the conditions set out in Article 13, Legislative Decree No. 231 of 2001 must be met, namely:

- "*the entity has derived a significant profit from the offence and the offence was committed by*

persons in a senior position or by persons subject to the direction of others when, in this case, the commission of the offence was determined or facilitated by serious organisational deficiencies";

or

- "*in the event of repeated* offences"[5] .

In addition, prohibitory sanctions may also be requested by the Public Prosecutor and applied to the Entity by the Judge as a precautionary measure, when:

- there are serious indications that the Entity is liable for an administrative offence;
- there is solid and specific evidence to suggest that there is a real danger that offences of the same nature as the one being prosecuted will be committed;
- the Entity made a significant profit.

In any case, disqualification penalties shall not be applied where the offence was committed in the predominant interest of the perpetrator or of third parties and the Entity obtained little or no advantage from it, or where the pecuniary damage caused is of particular tenuousness.

The application of prohibitory sanctions is also excluded by the fact that the Entity has carried out the remedial conduct provided for in Article 17, Legislative Decree No. 231 of 2001 and, more specifically, when the following conditions are met:

- "*the entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the offence or has in any event taken effective steps to do so*";
- "*the entity has eliminated the organisational deficiencies that led to the offence by adopting and implementing organisational models capable of preventing offences of the kind committed*";
- "*the entity has made available the profit achieved for the purposes of confiscation*".

Prohibitory sanctions have a duration of no less than three months and no more than two years[6] and the choice of the measure to be applied and its duration is made by the Judge based on the criteria previously indicated for the commensuration of the pecuniary sanction, "*taking into account the suitability of the individual sanctions to prevent*

[5] Pursuant to Article 20 of Legislative Decree No. 231 of 2001, "*repetition occurs when the entity, already definitively convicted at least once for an offence, commits another one in the five years following the final conviction*".
[6] In the most serious cases, for the offences provided for in Article 25 of the Decree (extortion and bribery, undue inducement to give or promise benefits), the judge may apply disqualification penalties of up to seven years.

offences of the type committed" (Article 14, Legislative Decree No. 231 of 2001).

Finally, the legislature has specified that the prohibition from exercising the activity has a residual nature compared to the other disqualifying sanctions.

(c) Pursuant to Article 19 of Legislative Decree No. 231 of 2001, the **confiscation** - also in equivalent form - of the price (money or other economic benefit given or promised to induce or determine another person to commit the offence) or of the profit (immediate economic benefit obtained) of the offence is always ordered in the conviction, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith. Article 6(5) of Legislative Decree no. 231 of 2001 also provides that the confiscation of the profit of the offence is always ordered (also in the form of equivalent proceeds) even if the body succeeds in proving its extraneousness to the offence committed by the Senior Persons (see below, paragraph 1.6.).

(d) The **publication of the conviction** in one or more newspapers, either in excerpt or in full, may be ordered by the Judge, together with posting the municipality where the Entity has its head office, when a disqualification sanction is applied. Publication is carried out by the Clerk of the competent Judge at the expense of the Entity.

1.5 Attempted crimes

When one of the offences covered by the Decree is attempted, the pecuniary penalties (in terms of amount) and prohibitory penalties (in terms of time) are reduced from one third half, while the imposition of penalties is excluded in cases where the Entity voluntarily prevents the action from being carried out or the event from taking place (Article 26 of the Decree).

1.6 The conducts (exemptions)

Articles 6 and 7 of Legislative Decree No. 231 of 2001 provide specific forms of exemption from the Entity's administrative liability for offences committed in the interest or to the advantage of the Entity by both Senior Persons and Subordinates (as defined in paragraph 1.2 above).

Particularly, when the offences are committed by Senior Persons, Article 6 of the Decree provides for exoneration if the Entity proves that:

a) the management body has adopted and effectively implemented, prior to the commission of the offence, an appropriate organisation and management model to prevent offences of the kind committed (hereinafter, for the sake of brevity, the "**Model**");

b) the task of supervising the operation of and compliance with the Model as well as ensuring that it is updated has been entrusted to a body of the Entity (hereinafter, for the sake of brevity, referred to as the "**Supervisory Board**" or the "**SB**"), endowed with autonomous powers of initiative and control;

c) the persons who committed the offence acted by fraudulently circumventing the Model;

d) there was no omission or insufficient supervision by the Supervisory Board.

As far as Subordinates are concerned, Article 7 of the Decree provides for exemption from liability if the Entity has adopted and effectively implemented, prior to the commission of the offence, a Model capable of preventing offences of the kind committed.

However, the Entity's exemption from liability is not determined by the mere adoption of the Model, but by its effective enforcement to be achieved through the implementation of all the protocols and controls necessary to limit the risk of commission of the offences that the Company intends to prevent. In particular, with reference to the characteristics of the Model, the Decree expressly provides, in Article 6, paragraphs 2 and 2-*bis*, that the Model must meet the following requirements:

a) identifies the activities within the scope of which there is a possibility of offences being committed (so-called crime-risk activities);

b) provides for specific protocols aimed at planning the formation and implementation of the Entity's decisions to prevent the commission of such offences;

c) identifies the methods of managing financial resources suitable for preventing the commission of such offences;

d) provides information requirements with the Supervisory Board;

e) introduces an appropriate disciplinary system to sanction non-compliance with the measures indicated in the Model.

f) provides one or more channels for reporting unlawful conduct or violations of the Model (so-called *whistleblowing* - see paragraph 1.7 below for more details)

1.7 *Whistleblower* protection

Law No. 179/2017 to protect the *whistleblower* added paragraph *2-bis* to Article 6 of Legislative Decree No. 231/2001, which originally provided for the inclusion of a channel for reporting offences within the Organisation and Management Model adopted by the Company.

Paragraph *2-bis was* last amended by Legislative Decree No. 24 of 10 March 2023, which transposed Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of Union law and on provisions concerning the protection of persons who report breaches of national laws.

In general, the rules on reporting of violations are largely governed by Legislative Decree 24/2023 - to which we refer -, which provides, as far as it is appropriate to highlight here:

- the possibility of reporting violations - i.e. conduct, acts or omissions detrimental to the interest of the entity - that are deemed to have been committed, including: (*i)* administrative, accounting, civil and criminal offences and (*ii)* unlawful conduct relevant under Decree 231, or violations of organisation and management models;

- the identification of a person, a dedicated autonomous internal office or an external autonomous entity to manage the reporting channel;

- the identification of specific channels, including IT channels, for the internal reporting of violations, in written and/or oral form;

- the confidentiality and privacy of the information received and the protection of the personal data of the reporter and the reported person;

- precise timeframes for the initiation, conduct and conclusion of the investigative activity carried out by the entity managing the alert;

- the prohibition of retaliation against the whistleblower, i.e. any conduct, act or omission, even if only attempted or threatened, put in place as a result of the alert, which causes or may cause the whistleblower, directly or indirectly, unjust damage;

- the nullity of any retaliatory acts eventually carried out against the whistleblower;

- the provision of disciplinary sanctions: (*i*) for those who breach the confidentiality of the whistleblower; *(ii)* for those who send, with malice or serious misconduct, unfounded reports *(iii)* in the event of retaliation against the

whistleblower; and (*iv)* if the report is obstructed or there has been an attempt to obstruct it.

The Company has implemented a specific procedure for ***whistleblower*** **reports, pursuant to the Legislative Decree No. 24/23,** published on the company intranet and available to all employees (see section 3.3. below), which forms an integral part of the Model.

1.8 The Guidelines

On the express indication of the delegated legislator, the Models may be adopted based on codes of conduct drawn up by representative trade associations that have been communicated to the Ministry of Justice, which, in agreement with the competent Ministries, may, within 30 days, formulate observations on the suitability of the models to prevent offences.

The preparation of this Model is inspired by the Guidelines for the construction of Organisation, Management and Control Models *pursuant to* Legislative Decree No. 231 of 2001, approved by Confindustria on 7 March 2002 and subsequently updated (first in 2008, then in 2014 and finally in 2021).

The path indicated by the Guidelines for the elaboration of the Model can be schematised according to the following basic points:

- identification of the areas at risk, aimed at verifying in which company areas/sectors it is possible to commit the offences set out in the Decree (so-called "sensitive areas") or in which it is in any case possible to commit conduct instrumental to the commission of the offences set out in the Decree (so-called "instrumental areas"), such as, for example, the management of the Company's financial activity, potentially functional to the creation of extra or not-accounting reserves;

- setting up a control system capable of reducing risks through the adoption of appropriate protocols. This is supported by the coordinated set of organisational structures, activities and operating rules applied - on the instructions of top management - by *management* and consultants, aimed at providing reasonable certainty as to the achievement of the purposes of a good internal control system.

The **most relevant components of the preventive control system** proposed by the Guidelines are, regarding the prevention of intentional offences:

- the **Code of Ethics**: formed by the document through which the company must disseminate within the organisation, and to all *stakeholders*, a set of principles,

commitments and ethical responsibilities that inspires its activities and the corresponding conduct required of recipients.

- the **organisational system**: the entity must define in formal documents (organisation chart, job description, function chart, delegations and proxies, appointments, etc.) the functions and powers of each company figure, clarifying the type of relations (hierarchical, staff, control, reporting) between them. The procedures for access to certain roles in the company and any reward and gratification systems for personnel (objectives, results, seniority steps, acquisition of new titles and skills) should be clearly defined.

- **operating procedures**: there must be company provisions and formalised procedures (computerised and manual) suitable for providing principles of conduct and operating methods for carrying out sensitive and instrumental activities, as well as methods for filing the relevant documentation. Careful compliance with the adopted procedures appears to be necessary above all for the administrative-financial area (for which Article 6(2)(c) of Legislative Decree No. 231/2001 explicitly provides that the model must "*identify methods of managing financial resources that are suitable for preventing the commission of offences*"). In this context, the internal control system may be implemented by means of widespread and recognised tools, including signature matching, periodic and frequent meetings, sharing of tasks, provision of at least one dual control (operator and senior person figure), verification of compliance with the budget, verification of the existence of adequate supporting and justifying documentation (invoices, contracts, orders, transposition documents, resolutions, etc.). If then, certain operations are performed, by company choice or due to exceptional events, outside the system of procedures and practices adopted, it will be important to ensure absolute transparency and documentation of the activity conducted.

- **authorisation and signatory powers**: authorisation and signatory powers must be coherent with the responsibilities assigned, providing, where required, for an indication of expenditure limits; they must also be clearly defined and known within the Company and externally. In any case, it is necessary to avoid attributing unlimited and unchecked powers to persons who are required to take decisions that could lead to the commission of offences.

- **the management control system**: in particular, the management control system must be articulated in the different phases of annual budget elaboration, analysis of periodic final balances and preparation of forecasts.
  The control system must be informed by the following principles:
  - verifiability, documentability, consistency and congruence of each operation;
  - separation of functions (no one can independently manage all stages of a

process);
    - documentation of controls;
    - introduction of an adequate system of sanctions for violations of the rules and protocols laid down in the Model;
    - identification of a Supervisory Board (in detail, see Chapter 4) whose main requirements are:
        - autonomy and independence,
        - professionalism,
        - continuity of action;

- **communication and training of personnel**, aimed at consolidating in all Addressees the knowledge of the principles and rules to which concrete operations must conform.

  With reference to culpable offences, the most relevant components identified by the Guidelines are:
  - the Code of Ethics (or Code of Conduct) with reference to the above-mentioned offences;
  - the organisational structure;
  - education and training;
  - communication and involvement;
  - operational management;
  - the security monitoring system.

➢ The corporate functions' **obligations**, and those identified as being most "at risk of offences", **to provide information to the Supervisory Board**, both on a structured basis (periodic reporting in implementation of the Model itself), and to report anomalies or untypicalities found within the information available.

2. THE ACTIVITY CARRIED OUT BY NTT DATA ITALIA GOV & TECH S.R.L.

NTT DATA Italia Gov & Tech S.r.l. (henceforth the "**Company**" or "**Gov & Tech**") is an Italian company based in Milan (MI), Via Ernesto Calindri, 4, 20143, registered in the Company Register on 1 December 2022.

In particular, the Company carries out consultancy activities for the development of IT and technology strategies and *governance* models suitable to support the *core business* of its customers. In addition, the Company is involved in the distribution and licensing of *software* and *hardware* programmes.

NTT DATA Italia Gov & Tech S.r.l. has entered a *service* contract with NTT DATA Italia S.p.A. to make use of its functions and processes.

Both of the above companies are part of the NTT DATA Europe & Latam SLU Group, which in turn is part of the NTT DATA Corp. Group, based in Tokyo, an international player that provides innovative and quality IT services, products and solutions for clients all over the world, operating in various and diverse business sectors (telecommunications, banking and financial services, insurance, P.A., industry and distribution, utilities, publishing and media).

Therefore, in the document summarising the results of the *risk assessment,* reference is made to the procedures and *policies* prepared for NTT DATA Italia S.p.A., as also adopted and implemented by NTT DATA Italia Gov & Tech S.r.l..

With reference to the Code of Ethics containing the general principles to be followed by all personnel, the Company refers to as the "Code of Ethics and Conduct of NTT DATA EMEAL".

At the outcome of the *risk assessment* activity carried out through the analysis of the documentation provided by the Company and the interviews carried out with the *key managers* of the Company and of the Group, it is believed that the procedures and *policies* prepared for NTT DATA Italia S.p.A., as also adopted and implemented by NTT DATA Italia Gov & Tech S.r.l. are also suitable to prevent the perpetration of the predicate offences indicated in Legislative Decree no. 231 of 2001.

3. THE MODEL

3.1 The purposes of the Model

The Model prepared by the Company based on the identification of the areas of possible risk in the company's activities within which the probability of offences being committed is considered higher, has the following aims:

- set up a prevention and control system aimed at reducing the risk of commission of offences related to the company's activities;
- make all those who work in the name and on behalf of the Company, and in particular the persons engaged in the "areas of activity at risk", aware that they may incur disciplinary sanctions, up to dismissal, in the event of violation of the provisions contained therein, and that the commission of any offences in the apparent interest or to the advantage of the Company also exposes the latter to serious financial penalties and disqualifications;
- inform all those who work with the Company that violation of the prescriptions contained in the Model will result in the application of appropriate sanctions, up to the termination of the contractual relationship;
- confirm that the Company does not tolerate unlawful conduct of any kind and for any purpose whatsoever and that, in any case, such conduct (even if the Company were apparently able to benefit from it) is in any case contrary to the principles inspiring the Company's business activity.

3.1.1 The Construction of the Model

On the basis also of the indications contained in the reference Guidelines, the construction of the Model (and the subsequent drafting of this document) was divided into the following phases:

(i) preliminary examination of the corporate context by analysing the relevant corporate documentation and conducting interviews with the Company's managers, informed about its structure and activities, in order to define the organisation and the activities carried out by the various organisational units/corporate functions, as well as the corporate processes in which the activities are articulated and their concrete and effective implementation;

(ii) identification of the areas of activity and of the corporate processes "at risk" or "instrumental" to the commission of offences, carried out on the basis of the above-mentioned preliminary examination of the corporate context (hereinafter, for the sake of brevity, cumulatively referred to as the "**Offence Risk Areas**");

(iii) description by way of example, also in order to facilitate the understanding of the Model by its addressees, of the main possible ways in which the alleged Offences may be committed within the individual Offence Risk Areas;

(iv) detection and identification of the entity's control system aimed at preventing the commission of the Offences, with possible indication of the protocols governing corporate operations;

(v) implementation of the behavioural principles and procedural rules laid down by the Model as well as verification of the concrete suitability and operability of the control instruments, continuously monitoring the actual compliance with the Model.

3.1.2. The concept of risk

While preparing an organisation and management model, such as this one, the concept of risk cannot be overlooked. In fact, it is essential to establish for the purposes of compliance with the provisions introduced by Legislative Decree No. 231 of 2001, what is the *standard of adequacy* of the protocols that the Company is required to adopt to minimise the risk of offences being committed. With specific reference to the provisions of the Decree, and as clarified by criminal jurisprudence, there is a need for the effective implementation of an adequate preventive system so that it cannot be circumvented except fraudulently, i.e. through the adoption of artificial conduct aimed at circumventing the rules established by the Company (e.g. forging signatures to show that authorisation has been given by a different corporate function).

3.1.3 The structure of the Model and the Predicate Offences for its construction

The Company intended to prepare a Model that would consider its peculiar corporate reality, consistent with its system of governance and capable of enhancing the existing controls and bodies.

The Model, therefore, represents a coherent set of principles, rules and provisions that:

- affect the internal functioning of the Company and the way in which it relates to the outside world;
- regulate the diligent management of a control system for Offence Risk Areas, aimed at preventing the commission or attempted commission of the offences referred to in the Decree.

In particular, the Model consists of a "**General Section**", which contains its main principles, and of several "**Special Sections**", in relation to the different categories of offences provided for by Legislative Decree No. 231 of 2001.

The Special Sections contain - for each category of predicate offence - a concise description of the offences that may give rise to the Company's administrative liability, an indication of the identified Offence Risk Areas, an illustration of the possible ways in which the indicated offences may be committed, and a description of the main rules of conduct implemented by the Company, which the Recipients of the Model (as defined below) must abide by in order to prevent the commission of such offences.

Due to the specific efficiency of the Company, the focus was, since considered most relevant, on the risks of the offences indicated in the following articles of the Decree:

- 24, 25 (offences against the P.A.), *25-ter* (bribery and incitement to bribery between private individuals) and *25-decies* (inducement not to make statements or to make false statements to the judicial authorities);
- *24-bis* (computer crimes and unlawful data processing);
- 25-bis.*1* (offences against industry and trade);
- *25-ter* (corporate offences);
- *25-septies* (culpable homicide or grievous or massive bodily harm resulting from breaches of health and safety at work);
- *25-octies* (receiving stolen goods, money laundering and use of money, goods or benefits of unlawful origin as well as self-laundering);
- 25-octies.1 (offences relating to non-cash payment instruments and fraudulent transfer of values);
- *25-undecies* (environmental offences);
- *25-quinquiesdecies* (tax offences).

The **general principles** of control described in the **General Section** and in the **Code of Ethics,** as well as the general principles of conduct and preventive control described in **each Special Section,** apply to these families of offences.

As regards the offences referred to in Articles *24-ter* (offences of organised crime), *25-novies* (offences relating to violation of copyright), *25-duodecies* (employment of third-country citizens whose stay is irregular), *25-terdecies* (racism and xenophobia) and *25-sexiesdecies* (offences relating to smuggling) the outcome of the *risk assessment* activities led to the conclusion that the concrete possibility of these offences being committed was **not significant** in view of the activities carried out by the Company and the prevention measures adopted in this regard by the competent corporate structures. Therefore, in relation to these types of offences, the **general** control **principles** described in the General Section as well as the principles of conduct described in **Special Section I** and in the **Code of Ethics** can be applied.

Considering the number of offences that currently constitute grounds for the administrative liability of Entities pursuant to the Decree, some of them were **not considered relevant** for the purposes of the construction of this Model, since it was established that the **risk relating to the commission of such offences was only abstractly and not concretely conceivable.** In particular, following a careful assessment of the Company's actual activity and its history, the following offences were deemed not relevant: *25-bis* (offences relating to counterfeiting money, public credit cards, revenue stamps and identification instruments or signs), *25-quater* (offences for the purposes of terrorism or subversion of the democratic order), 25-quater.*1 (*offences against the sexual

integrity of women), *25-quinquies (*offences against the individual), *25-sexies* (market abuse), *25-quaterdecies* (fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices), *25-septiesdecies* and *25-duodevices* (offences against cultural heritage), transnational offences.

In any case, the ethical principles on which the Company's Model and its *governance* structure are based on, are also aimed at preventing, in general terms, those offences which, due to their insignificance, are not specifically regulated in the Special Parts of this Model.

3.1.4. The adoption of the Model

The adoption of this Model is delegated by the Decree itself to the management body (mainly to the Board of Directors), which is also responsible for the supplementation of this Model with additional Special Sections relating to other types of Offences newly introduced in Legislative Decree No. 231 of 2001.

3.2. Documents related to the Model

The following documents form an integral and substantial part of the Model:

- the Group's Ethics Code containing the set of rights, duties and responsibilities towards the recipients of the Model (hereinafter, for brevity, the "**Code of Ethics**");

- the disciplinary system and the relevant sanctions mechanism to be applied in the event of violation of the Model (hereinafter, for brevity, the "**Sanctions System**");

- the system of proxies and powers of attorney, as well as all the documents whose purpose is to describe and assign responsibilities and/or duties to persons working within the Entity in Offence Risk Areas (*i.e.* organisation charts, service orders, job *profiles*, job descriptions, function charts, etc.);

- the system of procedures, protocols and internal controls adopted, to ensure adequate transparency and awareness of the decision-making and financial processes, as well as of the conduct to be adopted by the recipients of this Model operating in Offence Risk Areas (hereinafter, for the sake of brevity, the system of delegated and proxy powers, the procedures, protocols and internal controls referred to above shall be cumulatively referred to as the "**Procedures**").

It follows that the term Model identifies not only this document, but also all further

documents and Procedures that will be subsequently adopted in accordance with its provisions and that will pursue the purposes indicated therein.

3.3. The *whistleblowing* procedure

As mentioned above (see section 1.7. above), the Company has adopted a specific procedure for *whistleblowers' reports,* the contents of which are hereby referred to in full.

The procedure for *whistleblowers'* reports **is an integral part of the Model itself**.

3.4. Management of financial resources

Without prejudice to what is indicated in the preceding paragraph, taking into account that pursuant to Article 6, letter c) of Legislative Decree No. 231 of 2001, among the requirements to which the Model must respond, there is also the identification of the methods of managing financial resources suitable for preventing the commission of offences. The Company has adopted specific *cash management* protocols containing the principles and conduct to be followed in managing these resources.

3.5. Dissemination of the Model

3.5.1. Addressees

This Model considers the business reality of the Company and represents a valid tool for raising awareness and informing Senior Persons and Subordinates (hereinafter, for the sake of brevity, referred to as the '**Addressees**').

All this so that the Addressees follow, in performing their activities, correct and transparent conduct in line with the ethical-social values that inspire the Company in the pursuit of its corporate purpose and such, in any case, as to prevent the risk of commission of the offences provided for in the Decree.

In any case, the competent corporate functions ensure that the principles and rules of conduct contained in the Model and in the Code of Ethics adopted by the Company are transposed into the Company's Procedures.

3.5.2. Staff Training and Information

It is the Company's goal to ensure that the Addressees are properly informed of the contents of the Decree and the obligations arising therefrom.

For the purposes of the effective implementation of this Model, training and information to the Addressees is managed by the Legal & Compliance function of the Company with the heads of the corporate functions involved in the application of the Model.

The main methods of carrying out the training/information activities necessary also for the purposes of compliance with the provisions contained in the Decree, concern the specific information at the time of recruitment and the additional activities deemed necessary to ensure the correct application of the provisions laid down in the Decree. More specifically, is scheduled:

- an initial communication. In this regard, the adoption of this Model is communicated to all the resources present in the Company. New employees are given a copy of the Code of Ethics and the Model - General Part. They must sign a form in which they acknowledge that the Code of Ethics and the General Part of the Model are available on the Company's website and undertake to comply with the contents of the aforementioned regulations. In addition, Senior and/or Subordinate Persons operating in Offence Risk Areas are informed of the Special Part concerning the Area of reference;
- a specific training activity. This "continuous" training activity is compulsory and developed also by means of IT tools and procedures (update *e-mails*, company website e-learning platforms), as well as periodic training and update meetings and seminars. This activity is differentiated, in terms of content and delivery methods, according to the Recipients' qualification, the risk level of the area in which they operate, and whether they have functions of representation of the Company.

3.5.3. Information to Third Parties and Dissemination of the Model

The Company also envisages the dissemination of the Model to persons who have non-subordinate collaborative relationships with the Company, consultancy relationships, agency relationships, commercial representation relationships and other relationships that take the form of a professional, non-subordinate service, whether continuous or occasional, including persons acting for suppliers and *partners*, also as temporary association of companies, as well as *joint ventures* (hereinafter, for the sake of brevity, referred to as "**Third Parties**").

In particular, the corporate functions involved from time to time, provide Third Parties in general and the *service* companies with which they come into contact, with appropriate information in relation to the adoption of the Model pursuant to Legislative Decree no. 231 of 2001. The Company also invites Third Parties to read the contents of the Code of Ethics and the General Part of the Model on its website.
The respective contractual texts include specific clauses aimed at informing Third Parties of the adoption of the Model by the Company. They declare that they have read and are aware of the consequences of non-compliance with the precepts contained in the General

Section of the Model and in the Code of Ethics, and that they undertake not to commit and to ensure that their top management or subordinates refrain from committing the Offences in question.

4. ELEMENTS OF THE COMPANY'S *GOVERNANCE* MODEL AND OF ITS GENERAL ORGANISATIONAL STRUCTURE

4.1. The Company's *Governance* Model

The Board of Directors consists of three directors, vested with the broadest powers for the ordinary and extraordinary administration of the Company, including the power to perform all acts deemed appropriate to achieve the corporate purpose, excluding only those acts that the law or the Articles of Association reserve to the Shareholders' Meeting.

The Board of Directors may delegate its powers to one or more Managing Directors, even separately, determining the limits of the delegation.

They are members of the Board of Directors:

- Mr. Domenico Picciano, born in Rome (RM), on 7 January 1967, Chairman of the Board of Directors;
- Ms. Nadia Maria Teresa Governo, born in Milan (MI), on 20 November 1962, Managing Director;
- Ms. Anna Amodio, born in Venafro (IS), on 29 June 1963, Councillor.

The Managing Director also performs the functions of employer, pursuant to Article 2 of Legislative Decree 81/08.
The Company has appointed a Prevention and Protection Service Manager (hereinafter "**RSPP**").
In addition, a Competent Doctor was appointed, as well as a Safety Officer.

The Company's sole shareholder is NTT DATA Italia S.p.A., with registered office in Milan (MI), Via Ernesto Calindri, No. 4.

In the management of its activities, Gov & Tech uses services provided by the Group Functions, mainly of the parent company NTT DATA Italia S.p.A. These Functions operate in support of the Company according to shared protocols and work methodologies and oriented towards compliance with common ethical-behavioural criteria.

4.2. The Company's Internal Control System

The Company has adopted the following general instruments aimed at planning the formation and implementation of decisions, as well as preventing offences:

- the ethical principles that inspires the Company, also on the basis of what the Code of Ethics establishes;
- the documentation and provisions related to the company's hierarchical and

organisational structure;
- the internal control system and thus the structure of company procedures;
- procedures regarding the administrative, accounting and *reporting* system;
- compulsory, adequate and differentiated training of all personnel;
- the penalty system provided for in the CCNL applied to the Company's employees;
- the national legislative and regulatory body.

4.3. General principles of control in all Offence Risk Areas

In addition to the specific controls described in each Special Part of this Model, the Company has implemented specific general controls applicable in all Offence Risk Areas.

In particular, the following:

- **Transparency**: every operation/transaction/action must be justifiable, verifiable, consistent and congruent;

- **Segregation of duties/powers**: no one may independently manage an entire process and be endowed with unlimited powers; authorisation and signature powers must be defined in a manner consistent with the organisational responsibilities assigned;

- **Adequacy of internal rules**: the set of company rules must be consistent both with the operations carried out and with the level of organisational complexity. It must be such as to guarantee the controls necessary to prevent the commission of the offences set out in the Decree;

- **Traceability/Documentability**: every operation/transaction/action, as well as the related verification and control activity must be documented and the documentation must be properly filed.

5. THE SUPERVISORY BOARD

5.1. Characteristics of the Supervisory Board

According to the provisions of Legislative Decree No. 231 of 2001 (Articles 6 and 7), as well as the indications contained in the Guidelines, the characteristics of the Supervisory Board, such as to ensure the effective and efficient implementation of the Model, must be:

(a) autonomy and independence;
(b) professionalism;
(c) continuity of action.

Autonomy and independence

The requirements of autonomy and independence are fundamental so that the Supervisory Board is not directly involved in the management activities that are the subject of its control activities and, therefore, is not under influence or interference by the management body.

These requirements can be achieved by guaranteeing the Supervisory Board the highest possible hierarchical position, and by providing for *reporting to the* company's top operational management, i.e. to the Board of Directors. To guarantee independence, it is also indispensable that the Supervisory Board isn't responsible for operational tasks, which would compromise its objectivity of judgement with reference to checks on the conduct and effectiveness of the Model.

Professionalism

The Supervisory Board must have technical and professional skills appropriate to its functions. These characteristics, together with independence, guarantee objectivity of judgement[7] .

Continuity of action

The Supervisory Board must:

- continuously carry out the activities necessary for the supervision of the Model with adequate commitment and the necessary powers of investigation;

[7] This refers, inter alia, to: techniques for analysing and assessing risks; measures for their containment (organisational procedures, mechanisms for juxtaposing tasks, etc.); *flow charting* of procedures and processes for identifying weak points; interview techniques and questionnaire processing; methodologies for detecting fraud; etc. The Supervisory Board must have inspection-type competences (to ascertain how an offence of the kind in question could have occurred and who committed it); advisory-type competences (to adopt - at the time of the design of the Model and subsequent amendments - the most appropriate measures to prevent, with reasonable certainty, the commission of such offences or, again, to verify that day-to-day conduct actually complies with those codified) and legal competences. Legislative Decree No. 231 of 2001 is a criminal law, and since the purpose of the activity of the Supervisory Board is to prevent the commission of offences, knowledge of the structure and the ways in which offences are committed is therefore essential (which can be ensured using company resources, or external consultancy).

- be a structure referable to the Company, to ensure due continuity in supervisory activities.

In order to ensure that the requirements described above are actually met, it is advisable for those appointed as members of the Supervisory Board to possess, in addition to the professional skills described above, the formal subjective requirements that further guarantee the autonomy and independence required by the task (e.g. honourableness, absence of conflicts of interest and family relationships with the corporate bodies and top management, etc.).

5.2. Identification of the Supervisory Board

In compliance with the provisions of the Decree, in implementation of the indications provided by the Guidelines and in accordance with the provisions of Article 6, paragraph *4-bis*, of Legislative Decree No. 231 of 2001, the Company has entrusted the functions of the Supervisory Board to a single-member body.

In the same resolution appointing the Supervisory Board, it is also fixed its remuneration for the task assigned.

Once established, the Supervisory Board determines and updates the plan of activities to be carried out, if necessary, by adopting its own internal regulations.

5.3. Duration of assignment and causes of termination

The Supervisory Board remains in office for the term indicated in the instrument of appointment and may be renewed.

Neither Legislative Decree No. 231/2001 nor the Confindustria Guidelines establish a minimum or maximum duration of the SB. However, the doctrine has clarified that - as a greater guarantee of its independence and to better promote continuity of action - it is preferable to provide for a maximum term of office with the option of withdrawal by the entity or the SB. This maximum limit is usually made to coincide with the duration of other corporate bodies.

The termination of the appointment of the Supervisory Board may occur for one of the following reasons:
- expiry of the assignment;
- revocation of the appointment by the Board of Directors;
- renunciation, formalised by written notice sent to the Board of Directors;
- occurrence of one of the grounds for disqualification set out in section 5.4 below.

The dismissal of the Supervisory Board can only be ordered for just cause, and this includes, by way of example, the following cases:

- the case in which the member of the Supervisory Board is involved in criminal proceedings concerning the commission of a crime;
- the case of a breach of the confidentiality obligations imposed on the Supervisory Board;
- gross negligence in the performance of the duties connected with the assignment;
- the possible involvement of the Company in criminal or civil proceedings, that relate to an omitted or insufficient supervision of the Supervisory Board, even culpable.

Revocation is ordered by resolution of the Board of Directors.

In the event of expiry, revocation or resignation of a member of the Supervisory Board, the Board of Directors appoints the new member without delay, while the outgoing member remains in office until he is replaced.

5.4. Cases of ineligibility and disqualification

They constitute grounds for ineligibility and/or decadence of the member of the SB:

a) the absence, or supervening loss, of the requirements of professionalism, autonomy, independence and continuity of action;
b) disqualification, incapacitation, bankruptcy or criminal conviction, even if not final, for one of the offences set out in the Decree or, in any case, to a penalty entailing disqualification, even temporary, from public offices or the inability to exercise executive offices;
c) the existence of relationships of kinship, marriage or affinity up to the fourth degree with the members of the Board of Directors, or with the persons entrusted with the audit;
d) the existence of patrimonial relationships between the member and the Company such as to compromise the member's independence;
e) being subject to preventive measures ordered by the judicial authority, i.e. disqualification, incapacitation, declaration of bankruptcy, disqualification, even temporary, from public office or inability to exercise executive offices;
f) the pendency of criminal proceedings, or a conviction or sentence pursuant to Articles 444 et seq. of the Code of Criminal Procedure, even if not final, in relation to offences under the Decree or other offences of the same nature;
g) a sentence of conviction or application of the penalty pursuant to Articles 444 et seq. of the Code of Criminal Procedure in criminal proceedings, or a conviction measure in administrative proceedings, even if not final, issued against the Company in relation to offences provided for in the Decree, which shows the

omitted or insufficient supervision by the Body, pursuant to Article 6(1)(d) of the Decree;

h) a serious breach of one's duties as defined in the Model (including confidentiality obligations), or serious reasons of convenience, such as to prevent one from performing one's duties diligently and effectively or to impair one's autonomy of judgement in the exercise of assigned functions;
i) failure to attend at least 80% (eighty per cent) of the meetings of the Body, or inability to perform the task for a period exceeding six months.

If a cause for disqualification arises during the term of office, the member of the Supervisory Board shall immediately inform the Board of Directors.

5.5. Functions, tasks and powers of the Supervisory Board

In accordance with the indications provided by the Decree and the Guidelines, the function of the Supervisory Board generally consists in:

- monitor the effective application of the Model in relation to the different types of offences that it covers;
- verify the effectiveness of the Model and its actual capacity to prevent the commission of the offences in question;
- identifying and proposing to the Board of Directors updates and amendments to the Model itself in relation to changes in legislation or in the company's needs or conditions;
- verify that the update and amendment proposals formulated by the Board of Directors have been effectively implemented in the Model.

Within the scope of the function described above, the Supervisory Board is entrusted with the following tasks:

- periodically check the map of Offence Risk Areas and the adequacy of the control points in order to allow their adaptation to change in the activity and/or corporate structure. To this end, the recipients of the Model, as better described in the special parts thereof, must report to the Supervisory Body any situations that could expose the Company to the risk of offences. All communications must be drawn up in writing and sent to the specific e-mail address activated by the SB;
- periodically carry out, based on the previously established activity plan of the Supervisory Board, targeted checks and inspections on specific operations or acts carried out within the Offence Risk Areas;
- collecting, processing and storing information (including the reports referred to in the following paragraph) relevant to compliance with the Model, as well as

updating the list of information that must be mandatorily transmitted to the Supervisory Board;

- conduct internal investigations to ascertain alleged violations of the prescriptions of this Model brought to the attention of the Supervisory Board by specific reports or which have emerged in the course of its supervisory activities;
- verify that the elements present in the Model for the different types of offences (procedures and related controls, system of delegated powers, etc.) are actually adopted and implemented and meet the requirements of compliance with Legislative Decree No. 231 of 2001, and, if this is not the case, propose corrective actions and updates thereof;
- implement, in accordance with the Model, an effective flow of information to the Board of Directors to enable the Body to report to it on the effectiveness of and compliance with the Model;
- promote, through the competent corporate structures, an adequate personnel training process through appropriate initiatives for the dissemination of knowledge and understanding of the Model;
- periodically verify, with the support of the other competent structures, the validity of the clauses aimed at ensuring compliance with the Model by the Addressees;
- communicate any violations of the Model to the competent bodies under the Disciplinary System, for the purpose of adopting any sanctioning measures and monitor their outcome.

In order to perform the above-mentioned functions and tasks, the Supervisory Board is granted the following powers:

- broad and extensive access to the various corporate documents and, in particular, to those concerning contractual and non-contractual relations established by the Company with third parties;
- avail itself of the support and cooperation of the various corporate structures and corporate bodies that may be interested, or otherwise involved, in control activities;
- confer specific consultancy and assistance mandates on professionals, including those outside the Company.

5.6. Resources of the Supervisory Board

The Board of Directors assigns to the Supervisory Board the human and financial resources deemed appropriate for the performance of the assigned task. In particular, the Supervisory Board is vested with autonomous spending powers, as well as the power to enter, amend and/or terminate professional appointments with third parties in possession of the specific skills necessary for the best performance of the assignment.

5.7. Information Flows of the Supervisory Board

5.7.1. Information obligations towards the Supervisory Board

In order to facilitate the supervisory activity on the effectiveness of the Model, the Supervisory Board must be informed, by means of specific reports by the Addressees (and, where appropriate, Third Parties), of events that could entail the Company's liability under Legislative Decree No. 231 of 2001.

Information flows towards the Supervisory Board are divided into general information and specific mandatory information.

In the first case, the following requirements apply:

- the Addressees are required to report to the Supervisory Board any news concerning the commission, or reasonable belief of the commission, of offences or practices that are not in line with the procedures and rules of conduct issued or to be issued by the Company;
- Third parties are required to make reports of the commission, or reasonable belief of the commission, of offences to the extent and in the manner stipulated in the contract;
- Third parties are required to make any reports directly to the Supervisory Board.

In addition to the reports on general violations described above, the following information must also be mandatorily and promptly forwarded to the Supervisory Board:

- measures and/or news coming from judicial police bodies, or any other authority, concerning investigations involving the Company and/or members of its corporate bodies;
- any reports prepared by the heads of other bodies as part of their control activities and from which facts, acts, events or omissions with critical profiles may emerge with respect to compliance with Legislative Decree No. 231 of 2001;
- news of disciplinary proceedings as well as any sanctions imposed, or of the dismissal of such proceedings with their relevant reasons, if they are related to the commission of offences or violation of the rules of conduct or procedures of the Model;
- internal investigations or internal reports/communications from which responsibility for the offences referred to in Legislative Decree No. 231 of 2001 emerges;
- organisational changes;
- updates to the system of delegations and powers;
- particularly significant transactions carried out in Offence Risk Areas;
- changes in Offence Risk Areas or potentially at risk;

- any communications from the Board of Statutory Auditors (in the event that this body is appointed and does not coincide with the Supervisory Board) concerning aspects that may indicate deficiencies in the internal control system, reprehensible facts, observations on the Company's financial statements;
- the declaration of truthfulness and completeness of the information contained in corporate communications.

5.7.2. Information obligations of the Supervisory Board

Given that the responsibility for adopting and effectively implementing the Model remains with the directors or the Board of Directors of the Company, the Supervisory Board reports on the implementation of the Model and the occurrence of any critical issues.

In particular, the Supervisory Board is responsible for:
- communicate, at the beginning of each financial year, the plan of activities it intends to carry out in order to fulfil its assigned tasks;
- promptly communicate any issues related to the activities, where relevant;
- report, on an annual basis, on the implementation of the Model.

The Body may request to be convened by the Board of Directors to report on the functioning of the Model or on specific situations. Meetings with the corporate bodies to which the SB reports must be verbalised. Copies of these minutes shall be kept by the SB and the bodies involved from time to time.

Without prejudice to the above, the Supervisory Board may, in addition, while assessing individual circumstances:

(i) communicate the results of its investigations to the heads of the functions and/or processes if the activities result in aspects susceptible to improvement. In such a case, it will be necessary for the Supervisory Board to obtain from the process managers an action plan, with a timetable, for the implementation of activities susceptible to improvement, as well as the result of such implementation;

(ii) report to the Board of Directors conduct/actions not in line with the Model to:
   a) acquire from the Board of Directors all the elements to make any communications to the structures in charge of assessing and applying disciplinary sanctions;
   b) give directions for the removal of deficiencies to avoid a recurrence.

6. PENALTY SYSTEM FOR NON-COMPLIANCE WITH THIS MODEL AND THE RULES AND PROVISIONS REFERRED TO HEREIN

6.1. General Principles

The Company acknowledges and declares that the provision of an adequate penalty system for the violation of the rules contained in the Model (General Section and Special Sections), in the relevant Annexes and in the Procedures, is an essential condition for ensuring the effectiveness of the Model itself.

In this regard, Article 6(2)(e) of the Decree provides that organisational and management models must *"introduce a disciplinary system capable of penalising non-compliance with the measures indicated in the model"*.

Pursuant to Article 6, par. 2-bis, of the Decree - as amended by Legislative Decree 24/2023 - a system of sanctions is also provided for against persons who breach the rules on the protection of whistleblowers. In particular, the legislation provides for the applicability of sanctions against persons who are responsible for the following offences:

(i) wilfully or negligently unfounded reporting;
(ii) breach of the confidentiality of the whistleblower;
(iii) retaliation against the whistleblower;
(iv) obstruction or attempted obstruction of reporting.

With reference to the Company's employees, it is specified that the application of disciplinary sanctions is independent of the outcome of any criminal proceedings since the rules of conduct imposed by the Model and the Procedures are assumed by the Company in full autonomy and independently of the type of offences under Legislative Decree No. 231 of 2001 that the violations in question may determine. More specifically, failure to comply with the rules contained in the Model and the Procedures damages the relationship of trust with the Company and entails disciplinary action regardless of whether criminal proceedings are brought in cases where the violation constitutes an offence. This is also in compliance with the principles of timeliness and immediacy of disciplinary charges and the imposition of sanctions, in accordance with the laws in force.

6.2. Definition of "Violation" for the purposes of the operation of this Sanctions System

By way of general and illustrative example only, a 'Violation' of this Model and its Procedures constitutes:

- the implementation of actions or behaviours, which do not comply with the law and with the prescriptions contained in the Model itself and in its related Procedures,

which could cause the commission of one of the offences covered by Legislative Decree No. 231 of 2001;
- the omission of actions or conduct prescribed in the Model and in the relevant Procedures that entail a situation of mere risk of one of the offences covered by Legislative Decree No. 231 of 2001 being committed.

6.3 Sanctions for employees

Conduct by employees in violation of the rules contained in this Model and in the Company Procedures are defined as *disciplinary offences*.

As anticipated, the sanctions system is applicable by the Company to employees apart from an investigation or criminal proceedings being instituted or their outcome.

This Model will be made available in a place accessible to all workers pursuant to Article 7 of Law no. 300/1970 (the so-called "*Workers' Statute*"). In particular, it is envisaged that the Model will always be available on the company *website*. This Model has no time limit of validity and may be amended by the Company if necessary, after notifying all employees of the changes. Any such amendments shall be deemed to have become known 24 hours after this Model is posted in a place accessible to all employees.

Employees are therefore urged to read this document carefully and scrupulously follow its instructions, promptly notifying the Company of any interpretative doubts or problems concerning its application.

Any violations of the rules indicated in the Model and the Procedures may therefore lead to the application of disciplinary sanctions against the employee who is in default, in accordance with the collective regulations in force at the Company and/or compensation, in accordance with the provisions of the law and collective labour agreements in force.

Since the Company may be prosecuted and sanctioned because of the conduct of employees, it reserves the right to claim against the latter for any damages, compensation or other disbursements or expenses that the Company may have to incur, in spite of itself, as a result of unlawful or illegal conduct.

In fact, we take this opportunity to remind you that employees are required to comply with the obligations arising from the application of this Model, the Company Regulations, the National Collective Bargaining Agreement for the Metalworking Industry (hereinafter, for brevity, the "**C.C.N.L.**"), in accordance with the procedures laid down in Article 7 of Law No. 300 of 1970 (hereinafter, for brevity, the "**Workers' Statute**") and the provisions of the law (and in particular Articles 2104, 2105 and 2106 of the Civil Code).

Pursuant to Article 49 of the C.C.N.L. Metalmeccanico the following disciplinary sanctions are provided for in the event of violations committed by the employee:

i) verbal warning;
ii) written warning;
iii) fine not exceeding the amount of three hours' pay;
iv) suspension from work and pay for a period not exceeding 10 days of actual work;
v) individual dismissal.

Finally, it should be noted that the disciplinary system is constantly monitored by the Supervisory Board.

6.3.1. Employees

Infringements by employees of the rules of this procedure may lead to the following disciplinary measures, depending on the seriousness of the infringement and the circumstances:

i) verbal warning;
ii) written warning;
iii) fine not exceeding the amount of three hours' pay;
iv) suspension from work and pay for a period not exceeding 10 days of actual work;
v) individual dismissal.

These sanctions will be imposed as specified below:

a) Verbal warning

A verbal reprimand may be imposed for minor offences.

b) Written warning

A written reprimand may be imposed (by way of example but not limited to) unless a particularly serious infringement occurs when, due to its particular tenuousness, it does not lead to the imposition of a more serious penalty (fine, suspension or dismissal).

c) Fine

The fine may be imposed (by way of example but not limited to) to an employee who commits one of the following offences:

- failure to observe working hours;
- less than a day of unexcused absence;
- negligence in the performance of the service that did not cause damage;

- abuse and unintentional carelessness when it is not serious and has not created harm;
- in cases of recidivism to offences that have led to the imposition of a written reprimand.

d) Suspension from service and pay

Suspension from service and pay may be imposed (by way of example but not limited to) to an employee who commits one of the following offences:

i. causes damage to property received in equipment and use, with proven liability;
ii. report for duty in a state of manifest drunkenness;
iii. fails to observe the accident prevention measures and related provisions issued by the Company;
iv. leaves the workplace without a justified reason.

e) Dismissal

Dismissal may be imposed (by way of example but not limited to):

- to an employee who commits one of the following offences:
  i. more than three consecutive days of unexcused absence in the calendar year;
  ii. abandonment of the workplace by personnel entrusted with surveillance, custody and control tasks;
  iii. serious breach of obligations of secrecy regarding business organisation techniques and production methods;
  iv. infringement of legal regulations concerning safety for processing, storage, sale and transport;
  v. serious damage to company equipment;
  vi. serious insults towards work colleagues;
  vii. abuse of trust, competition, breach of official secrecy;
  viii. performing work for one's own account or for third parties outside working hours in competition with the company's business;
  ix. recidivism, more than the third time in the calendar year in any of the offences that cause suspension, without prejudice to the provisions on repeated tardiness;
  x. in cases of repeated offences leading to suspension;
  xi. against employees guilty of misconduct relating to duties, even if not particularly referred to in this procedure, so serious as to make it impossible to continue the employment relationship even on a provisional basis.

This is without prejudice, to any right to compensation for damage that the employee's conduct may cause to the Company.

The disciplinary sanctions referred to in this point shall be adopted in compliance with the limits set out in Article 2106 of the Civil Code, Article 7 of Law No. 300 of 20 May 1970, and the C.C.N.L. applied.

The possible adoption of the disciplinary measure shall be communicated to the employee by registered letter within 15 days from the expiry of the term assigned for his counterclaims. For requirements due to difficulties in the phase of evaluating the counter-deductions and deciding on the merits, the aforementioned term may be extended by 30 days, provided that the Company gives the Employee prior written notice thereof.

6.3.2. Managers

The provisions of Section 6.3.1 also apply to Managers to the extent compatible.

In any case, it is understood that in the event of violation, by employees occupied in managerial positions, of the general principles of the Model as well as of the Company Procedures, the Company shall take the measures deemed appropriate against those responsible, depending on the importance and gravity of the violations committed, also regarding the particular fiduciary bond underlying the employment relationship between the Company and the worker with managerial status.

The imposable sanctions will be adopted and applied in compliance with the procedures set in the national and company collective regulations applicable to the employment relationship.

The Company proceeds to terminate the employment contract without notice pursuant to Article 2119 of the Civil Code and the applicable CCNL or the application of any other sanction deemed appropriate in relation to the seriousness of the act, in the event that the executive's conduct falls within the scope of conduct such as to constitute a serious breach of discipline and/or diligence at work and the Company's trust in the perpetrator is radically undermined.
Examples may include the adoption of conduct unambiguously directed at the commission of a crime or representing the appearance thereof to the detriment of the Company, as well as repeated violations of Company Operating Procedures.
This occurs because the act itself must be considered to have been carried out against the will of the Company in the interest or to the advantage of the executive and/or third parties.

When appropriate, the Company may also act for damages.

6.4. Administrators

In the event of a breach of the rules set out in paragraph 6.2. above by one or more of the members of the Company's Board of Directors, the Supervisory Board shall inform the Board of Directors without delay for the appropriate assessments and measures.

6.5. Auditors

If one or more members of the Board of Statutory Auditors or the Single Statutory Auditor, if appointed, violate the rules set forth in Section 6.2. above, anyone who becomes aware of this shall inform the Board of Directors and the Shareholders' Meeting shall be convened at its request to take the appropriate measures.

6.6. Third parties: collaborators, agents and external consultants

In the event of violation of the rules set out in paragraph 6.2. above by collaborators, agents or external consultants, or, more generally, by Third Parties, the Company, depending on the seriousness of the violation: (*i)* shall invite the persons concerned to strictly comply with the provisions set out therein; or (*ii)* shall be entitled, depending on the different types of contract, to terminate the existing relationship for just cause or to terminate the contract for breach of contract by the persons referred to above.

To this end, the Company has provided for the insertion of specific clauses that provide for: (**a)** the information to Third Parties of the adoption of the Model and the Code of Ethics by the Company, of which they declare that they have read them, undertake to comply with their contents and not to engage in conduct that may lead to a violation of the law, the Model or the commission of any of the Offences Assumed; (**b)** the right for the Company to withdraw from the relationship or terminate the contract (with or without the application of penalties), in the event of non-compliance with these obligations.