ORGANISATION, MANAGEMENT AND CONTROL MODEL

Italian Legislative Decree No. 231 of 8 June 2001

# of PTI ITALIA S.P.A.

GENERAL PART

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1. INTRODUCTION

This Organisational, Management and Control Model contains an organic system of principles, values, controls, operational indications and ethical rules that PTI Italia S.p.A. considers fundamental and inalienable for the conduct of all business activities, and of which it requires the most careful compliance with to the members of the corporate bodies and management, to its employees, as well as to all those who operate, even de facto, for PTI Italia S.p.A., including third parties such as, by way of mere example and not limited to, agents, collaborators, consultants, etc.
PTI Italia S.p.A., in fact, considers pre-eminent, with respect to any commercial requirement, the need to respect (and make anyone who collaborates with it respect) the highest standards of ethics and transparency.
PTI Italia S.p.A., therefore, expects all those who have and intend to have legal relations with it to adopt a conduct that complies with the provisions set out in this Model and in line with the ethical principles contained therein.

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2. DEFINITIONS

For the better understanding of this document, the definitions of the most important recurring terms are clarified:

- **Risk Areas**: the areas of the Company's activities in which, in more concrete terms, the risk of commission of Offences, as identified in the Special Part of the Model, may arise.
- **CCNL**: the National Collective Bargaining Agreement currently in force and complied with by the Company.
- **Code of Ethics**: the code of ethics adopted by the Company and approved by the Board of Directors.
- **Consultants**: parties acting in the name and/or on behalf of the Company under a contractual mandate or other independent contractor relationship
- **Legislative Decree 231/2001 or the Decree**: Legislative Decree No. 231 of 8 June 2001, as amended and supplemented.
- **Recipients**: Company Representatives and External Parties.
- **Employees**: persons having a subordinate working relationship with the Company, including managers, and those who, regardless of the type of contract, nevertheless carry out a working activity with the Company.
- **Entities**: companies, consortia and other entities subject to the Decree.
- **Corporate Officers**: directors, auditors, liquidators, general manager, managers and employees of the Company.
- **Group**: Group headed by Phoenix Tower International LLC
- **Persons in charge of a public service**: pursuant to Article 358 of the Criminal Code, 'persons in charge of a public service are those who, for whatever reason, perform a public service. Public service must be understood as an activity regulated in the same forms as the public function, but characterised by the lack of the powers typical of the latter, and with the exclusion of the carrying out of simple organisational tasks and the provision of purely practical work".
- **Guidelines**: the 'Guidelines for or establishing an organisational, management and control model pursuant to Article 6(3) of Legislative Decree 231/01', approved by Confindustria on 7 March 2002 and subsequently updated;
- **Model**: this Organisation, Management and Control Model, which contains the prescriptions adopted by the Company. in compliance with Legislative Decree 231/2001 and its subsequent amendments.

- **Corporate Bodies**: the Board of Directors, the Investment Committee and the Board of Statutory Auditors.
- **Supervisory Body or SB**: the supervisory body in charge of supervising the functioning of the Model and compliance with it, as well as the updating of the Model.
- **Commercial Partners**: the natural and/or legal persons who have collaborative relations with the Company regulated by contract.
- **Phoenix Tower International:** Phoenix Tower International LLC.
- **Public Administration or "P.A.":** the State (including governmental, territorial, local, sectorial bodies, such as, governmental bodies, regulatory authorities, regions, provinces, municipalities, districts) and/or all public bodies and entities (and in the cases determined by law or functions, private entities that in any case perform a public function such as, for example, concessionaires, public law bodies, contracting authorities, mixed public-private companies) that perform activities to pursue public interests and the public administration in the broad sense and administrative management function. This definition includes the Public Administration of Foreign States and of the European Union as well as, again in relation to Offences against the P.A., persons employed or charged with a public service (by concession or otherwise) or performing a public function and/or public officials. In this context, however, (i) public service includes, inter alia, activities carried out, by concession or agreement, in the general interest and subject to the supervision of public authorities, activities relating to the protection of or concerning life, health, welfare, education, etc. (ii) public function includes, inter alia, activities governed by public law, including the legislative, administrative and judicial functions of any public body.
- **Public Official**: as set out in Article 357 of the Criminal Code 'for the purposes of criminal law, public officials are those who exercise a legislative, judicial or administrative public function. For the same purposes, an administrative function is public if it is governed by rules of public law and authoritative acts and is characterised by the formation and manifestation of the public administration's intention or by its being carried out by means of authoritative or certifying powers'.
- **Offences**: the types of offences included in the catalogue of predicate offences under Legislative Decree 231/2001 on the administrative liability of entities.
- **Reference Person or Manager**: the Company Representative to whom, by delegation or by organisational arrangement, is entrusted with the responsibility (jointly or severally with other persons) of specific functions and activities.
- **Company**: PTI Italia S.p.A.
- **External Parties**: all third parties (self-employed or para-subordinate workers, professionals, consultants, agents, distributors, suppliers, business *partners*, etc.) who, by virtue of contractual relations, act on behalf of the Company - within the limits of what has been agreed with them.
- **PTI Italia**: PTI Italia S.p.A.
- **TUF**: Italian Consolidated Law on Finance, Legislative Decree No. 58 of 24 February 1998, as subsequently supplemented and amended.

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3. LEGISLATIVE DECREE NO. 231/2001

3.1 ADMINISTRATIVE LIABILITY OF LEGAL PERSONS FOR OFFENCES

Legislative Decree no. 231 of 8 June 2001, concerning the "regulation of the administrative liability of legal persons, companies and associations, including those without legal personality" (hereinafter also referred to as the "**Decree**" or "**Legislative Decree 231/2001**") was issued in implementation of the delegation referred to in Article 11 of Law no. 300 of 29 September 2000, when adapting domestic legislation to certain international conventions (Brussels Convention of 26 July 1995 on the protection of the European Community's financial interests; Brussels Convention of 26 May 1996 on Combating Bribery of Public Officials of the European Community and its Member States; OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions), to which Italy had acceded in order to combat certain illegal conduct.

The Decree introduced into the Italian legal order a system of administrative liability of Entities for certain offences, specifically listed, when committed by their representatives in the interest or to the advantage of the Entities themselves. This liability is additional to the criminal liability of the natural person who committed the offence. In the lawmaker's view, in this way, the offence occurring in a complex organisation is not only the responsibility of the individual offender, but also - under certain conditions - of the organisation itself. The latter may, however, as will be seen below, be exempt from liability if it has put in place a system of procedures and controls designed to prevent and counteract the commission of offences from within.

For the application of this liability, it is necessary in the first place (objective charging criteria) that:

a) an alleged offence is committed in the interest or to the advantage of the Entity;
b) the offence was committed by one of the following qualified persons:

- by natural persons who hold representative, administrative, management or control functions (including de facto) of the Entity or of organisational areas with financial and operational autonomy, or who carry out, including de facto, the management and control of the Entity itself ("**senior managers**");
- by natural persons subject to the direction or supervision of the above-mentioned persons ("**subordinates**").

If there is no interest at all, because the qualified party has acted to realise an interest exclusively of its own or of third parties, the entity cannot be held liable. On the contrary, if an interest of the entity - albeit partial or marginal - exists, the offence is committed even if no advantage has materialised for the entity, which may at most benefit from a reduction in the fine.

The liability of the Entity, as mentioned, is in addition to - and not in lieu of - the criminal liability of the natural person who materially committed the offence, and is independent of it, subsisting even when the offender has not been identified or cannot be charged, or when the offence is extinguished for a reason other than amnesty.

It should be noted that Legislative Decree No. 231/2001 does not introduce new offences with respect to those existing and envisaged for natural persons, but extends, for the hypotheses expressly indicated and in accordance with the particular rules laid down therein, the liability also to the Entities to which the aforesaid natural persons are functionally referable.

The basis of this liability consists, in a nutshell, in the "**organisational negligence**" by the Entity, a further and crucial charge criterion in addition to those listed above (subjective charge criterion) The Entity shall in fact be held liable for the administrative offence arising from the offence committed by one of its representatives, if it has failed to set up an organisational structure capable of effectively preventing the offence from being committed (or in any event of significantly reducing the possibility thereof) and, in particular, if it has failed to equip itself with an internal control system and adequate procedures for carrying out the activities

at greater risk of commission of the Offences (for example, in the context of contracting with the Public Administration) provided for in the Decree.

The Entity's liability, as will be seen in more detail below, is substantially presumed when the offence is committed by a natural person who holds positions of management or responsibility; consequently, the burden falls on the Entity to prove its non-involvement in the facts by proving that the act committed is outside the company's policy.

Conversely, the liability of the Entity is to be proved by the public prosecution in the event that the person who committed the offence does not hold an apical function within the company's organisational system; the burden of proof therefore falls, as it traditionally does in the criminal justice system, on the prosecution, which must therefore demonstrate the existence of organisational or supervisory deficiencies that may entail co-responsibility on the part of apical persons.

The recipients of the Decree

Recipients of the Decree are legal persons, companies and associations, including those without legal personality. The broad formulation chosen by the lawmaker includes corporations and partnerships, cooperatives, foundations, consortia conducting external activities.

On the other hand, the State, territorial public bodies, other non-economic public bodies and bodies with functions of constitutional importance (e.g. political parties, trade unions, etc.) are not subject to the Decree.

Criminal offences

The offences entailing the liability of the Entity are strictly specified by the Lawmaker, and have historically been amended and supplemented frequently and periodically by the same Lawmaker; therefore, constant verification of the adequacy of the system of rules constituting the organisation, management and control model provided for by the Decree and functional for the prevention of such offences is necessary.

It is important to emphasise, however, that offences committed abroad can also lead to liability under the Decree.

Given that the scope of application of the administrative liability of Entities appears likely to be further extended, at present, the relevant offences can be grouped as follows (for a more detailed description of each of them, please refer to the Annex List of Offences):

Offences against the Public Administration (Articles 24 and 25 of the Decree);
- Embezzlement of public funds (Article 316-bis of the Italian Criminal Code); - Unlawful receipt of public funds (Article 316-ter Italian Criminal Code) - Fraud in public procurement (Article 356 of the Italian Criminal Code); - Fraud to the detriment of the State or other public body or the European Union (Article 640(2)(1) of the Criminal Code); - Aggravated fraud to obtain public funds (Article 640 bis of the Italian Criminal Code); - Cyber fraud (Article 640-ter Italian Criminal code) - Unlawful receipt of financial aids or other disbursements paid in full or in part from the European Agricultural Guarantee Fund and the European Agricultural Fund for Rural Development (Article 2 Law No 898 of 23 December 1986): - Extortion (Article 317 of the Criminal Code); - Bribery with the intent to influence an official act or an act contrary to official duties, including of the person in charge of a public service, aggravating circumstances and penalties for the briber (Articles 318, 319, 319-bis, 320 and 321 of the Italian Criminal Code); - Bribery in judicial Proceedings and penalties for the briber (Art. 319-ter and 321 of the criminal code);

- Improperly inducing [a person] to give or to promise to give anything of value and penalties for the corruptor (Articles 319-quater and 321 of the criminal code);
- Solicitation to corrupt (Article 322, Italian Criminal Code);
- Embezzlement, extortion by a public official, improper solicitation to give or promise an undue advantage, corruption and solicitation to corrupt members of the European union institutions and the European union and foreign state officials (Article 322 bis, Italian Criminal Code);
- trafficking in unlawful influences (Article 346 bis of the Italian Criminal Code);
- Misappropriation (Article 314 of the Italian Criminal Code)
- Misappropriation through profiting from the error of others (Article 316 of the Italian Criminal Code)
- Abuse of office bribery (Article 323 of the Italian Criminal Code);

Cyber offences and unlawful processing of data (Article 24 bis of the Decree);

- Computer documents (Article 491 bis, Italian Criminal Code);
- Unauthorised access to an IT or telematic system (Article 615-ter of the Italian Criminal Code);
- Unauthorised possession, dissemination and installation of equipment, codes and other means of accessing computer or telecommunications systems (Article 615-quater of the Criminal Code);
- Dissemination of computer equipment, devices or programs to damage or disrupt a computer or electronic system (Article 615 quinquies, Italian Criminal Code);
- Unlawful interception, obstruction or interruption of IT or telematic communications (Article 617-quater of the Italian Criminal Code.);
- Unauthorised possession, dissemination and installation of equipment and other means of intercepting, impeding or interrupting computer or telematic communications (Article 617-quinquies of the Italian Criminal Code);
- Harm to computer information, data and programs (Article 635 bis of the Italian Criminal Code);
- Harm to computer information, data and programs used by the State or another public body or otherwise of public benefit (Article 635-ter of the Italian Criminal Code);
- damage to computer or telematic systems (Article 635 quater of the Italian Criminal Code);
- Harm to IT or telematic systems of public benefit (Article 635 quinquies of the Italian Criminal Code.);
- Computer fraud by a person providing electronic signature certification services (Article 640 quinquies of the Italian Criminal Code.);
- Cases concerning the perimeter of national cyber security (Art. 1 para. 11 law decree 105/2019).

Criminal association crimes under Article 24-ter of the Decree);

- criminal association (article 416 of the Italian Criminal Code);
- mafia-type associations, including foreign ones (Article 416 bis of the Italian Criminal Code);
- Political/mafia vote buying (Article 416 ter, Italian Criminal Code);
- Kidnapping for purposes of extortion (Article 630 of the Italian Criminal Code);
- Criminal association aimed at drug trafficking or dealing in psychotropic substances (Article 74, Italian Presidential Decree 309/1990);

- Illegal manufacture, introduction into Italy, sale, transfer, possession and carrying in a public place or place open to the public of weapons of war, warlike weapons or components thereof, explosives, clandestine weapons and several common firearms other than those referred to in Article 2, paragraph 3 Law No. 110 of 18 April 1975 (Article 407(2)(a)(5) of the Italian Code of Criminal Procedure).

Transnational offences (extension of the Decree by introduction of L. 16 March 2006, No 146, Art. 10)

- Criminal association (Article 416 of the Italian Criminal Code);
- Mafia-type associations, including foreign ones (Article 416 bis of the Italian Criminal Code);
- Criminal association to smuggle foreign processed tobacco (Article 291-quater of Italian Presidential Decree No. 43/1973);
- Criminal association aimed at drug trafficking or dealing in psychotropic substances (Article 74, Italian Presidential Decree 309/1990);
- Provisions against clandestine immigration (Article 12, paragraphs 3, 3-bis, 3-ter of Legislative Decree 286/1998);
- Solicitation not to provide statements or to provide mendacious statements to the judicial authorities (Article 377 bis of the Italian Criminal Code);
- personal aiding and abetting (Article 378 of the Italian Criminal Code).

Counterfeiting money, legal tender and revenue stamps and other identifying signs (Article 25 bis of the Decree);

- Counterfeiting money, circulating counterfeit money and concerted introduction of counterfeit money into the national domain (Article 453 of the Italian Criminal Code);
- Alteration of currency (Article 454 of the Criminal Code);
- Non-concerted circulation and introduction of counterfeit currency into the national domain (Article 455 of the Italian Criminal Code);
- Circulation of counterfeit currency received in good faith (Article 457 of the Italian Criminal Code);
- Counterfeiting revenue stamps, introduction into the national domain, purchase, possession or circulation of counterfeit revenue stamps (Article 459 of the Italian Criminal Code);
- Counterfeiting watermarked paper used to produce legal tender or revenue stamps (Article 460 of the Italian Criminal Code);
- Manufacture or possession of watermarks or equipment intended to produce counterfeit currency, revenue stamps or watermarked paper (Article 461 of the Italian Criminal Code);
- Using counterfeit or altered revenue stamps (Article 464 of the Italian Criminal Code);
- Counterfeiting, alteration or use of trademarks or distinctive signs or patents, models or designs (Article 473 of the Italian Criminal Code);

- Introduction into the national domain and trading in products with false trademarks (Article 474 of the Italian Criminal Code).

Crimes against industry and trade (Article 25 bis.1of the Decree);

- Disruption to industry or trade (Article 513 of the Italian Criminal Code);
- Unlawful competition with threats or duress (Article 513 bis of the Italian Criminal Code);
- Fraud against domestic industries (Article 514 of the Italian Criminal Code);
- Fraud in the exercise of trade (Article 515 of the Italian Criminal Code);
- Sale of non-genuine foodstuffs as genuine (Article 516 of the Italian Criminal Code);
- Sale of industrial products with misleading signs (Article 517, Italian Criminal Code);
- Manufacture and trade of goods produced in violation of industrial property rights (Article 517 ter of the Italian Criminal Code);
- Falsifying the geographic origin or designations of origin of agricultural products (Article 517-quater, of the Italian Criminal Code).

Corporate Offences (Article 25-ter of the Decree)

- False corporate communications with minor facts (Articles 2621 and 2621 bis of the Italian Civil Code);
- false corporate communications by listed companies (Article 2622 of the Italian Civil Code);
- Obstruction of supervisory activities (Article 2625 of the Civil Code);
- undue restitution of contributions (Article 2626 of the Italian Civil Code);
- Illegal distribution of profits or reserves (Article 2627 of the Italian Civil Code);
- Unlawful transactions involving the shares or quotas of the company or the parent company (Article 2628 of the Italian Civil Code);
- Transactions to the detriment of creditors (Article 2629 of the Italian Civil Code);
- Failure to disclose a conflict of interest (Article 2629-bis of the Italian Civil Code);
- Fictitious capital creation (Article 2632 of the Italian Civil Code);
- Improper distribution of company assets by liquidators (Article 2633 of the Italian Civil Code);
- undue influence on the shareholders' meeting (Article 2636 of the Italian Civil Code);
- Stock manipulation (article 2637 of the Italian Civil Code);
- Hindrance to the performance of supervisory functions by public supervisory authorities (Article 2638, Italian Civil Code).

Bribery among private individuals (Article 25-ter(1)(s-bis) of the Decree)

- Bribery between private individuals (Article 2635 of the Italian Civil Code);

- incitement to bribery among private individuals (Article 2635 bis of the Italian Civil Code).

Offences for the purpose of terrorism or subversion of the democratic order provided for by the Criminal Code and special laws and offences perpetrated in violation of the provisions of Article 2 of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on 9.12.1999 (Article 25-quater of the Decree)

All offences for the purpose of terrorism or subversion of the democratic order provided for in the Criminal Code and complementary legislation, as well as offences other than the latter but committed in violation of Article 2 of the New York Convention, constitute predicate offences.

The most relevant of the offences provided for in the criminal code are the following:

- subversive associations (Article 270 of the Italian Criminal Code);
- Associations for purposes of terrorism, including international associations, or subversion of the democratic order (Article 270 bis of the Italian Criminal Code);
- assistance to associates (Article 270 ter penal code);
- Recruitment for purposes of terrorism, including international terrorism (Article 270 quater of the Italian Criminal Code);
- Organisation of transfers for the purposes of terrorism (Article 270-quater.1 of the Criminal Code);
- Training in activities for purposes of terrorism, including international terrorism (Article 270 quinquies of the Italian Criminal Code);
- financing of conduct with the purpose of terrorism (Article 270 quinquies.1 of the Italian Criminal Code);
- Theft of seized goods or money (Article 270 quinquies.2 of the Italian Criminal Code)
- conduct for the purposes of terrorism (Article 270 sexies of the Italian Criminal Code);
- Attack for terrorist or subversive purposes (Article 280 of the Italian Criminal Code);
- Act of terrorism using deadly or explosive devices (Article 280 bis of the Italian Criminal Code);
- acts of nuclear terrorism (Article 280 ter of the Italian Criminal Code);
- Kidnapping for purposes of terrorism or subversion (Article 289 bis of the Italian Criminal Code);
- Kidnapping for coercion (Article 289-ter of the Italian Criminal Code);
- Incitement to commit any of the offences against the personality of the State (Article 302 of the Italian Criminal Code);
- Political conspiracy by agreement and by association (Articles 304 and 305 of the Italian Criminal Code);
- Training of armed gangs, participation in them, assistance to participants in conspiracies or armed gangs (Art. 306 and 307 of the Italian Criminal Code).

Among the cases covered by special laws, the most relevant are the following:

- Article 1 of Law No. 15 of 6 February 1980 on urgent measures for the protection of democratic order and public safety. This law provides, in particular, as an aggravating circumstance - in relation to any crime - that the crime was “committed for the purpose of terrorism or subversion of the democratic order”. It follows that any crime provided for by the Criminal Code or by special laws, even those not expressly aimed at punishing terrorism, could generate liability for the company

under Article 25-quater of Legislative Decree No. 231/2001, if committed for the purpose of terrorism; - Law No. 342 of 10 May 1976 (Repression of crimes against the safety of air navigation); - Law No. 422 of 28 December 1989 on the repression of offences directed against the safety of maritime navigation and offences directed against the safety of fixed installations on the Intercontinental Shelf; - Crimes committed in violation of Article 2 of the New York Convention of 9 December 1999.

Female genital mutilation (Article 25-quater.1 of the Decree);
- Practices of mutilation of female genital organs (art. 583-bis of the Italian Criminal Code)

Crimes against the individual – Article 25 quinquies of the Decree)
- Enslavement or maintaining slavery or servitude (Article 600 of the Italian Criminal Code); - Child prostitution (Article 600 bis of the Italian Criminal Code); - Child pornography (Article 600 ter of the Italian Criminal Code); - possession of pornographic material (Article 600 quater of the Italian Criminal Code); - Virtual pornography (Article 600 quater.1 of the Italian Criminal Code); - Tourism to exploit child prostitution (Article 600 quinquies of the Italian Criminal Code); - Human trafficking (Article 601 of the Italian Criminal Code); - Purchase and sale of slaves (Article 602 of the Italian Criminal Code); - Illicit brokering and exploitation of labour (Article 603 bis of the Italian Criminal Code); - Solicitation of minors (Article 609 undecies of the Italian Criminal Code).

Market abuse (Article 25-sexies of the Decree)
- Unlawful disclosure of inside information Recommending or inducing others to commit insider dealing (Article 184 of the TUF); - market manipulation (Article 185 of the TUF)

Manslaughter and negligent serious or very serious bodily harm committed in violation of the rules on workplace health and safety regulations (Article 25-septies of the Decree);

- Manslaughter (Article 589 of the Italian Criminal Code);
- Personal injury through negligence (Article 590(3) of the Italian Criminal Code).

Handling stolen goods, laundering and use of money, goods or benefits of illegal origin, as well as self-laundering - Article 25 octies of the Decree

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

Offences relating to non-cash payment means (article 25-octies.1 of the Decree);

- Misuse and counterfeiting of non-cash payment instruments (Article 493-ter of the Italian Criminal Code);
- Possession and distribution of computer equipment, devices or programmes aimed at committing offences involving non-cash means of payment (Article 493-quater of the Italian Criminal Code);
- Computer fraud aggravated by the carrying out of a transfer of money, monetary value or virtual currency (Article 640-ter of the Italian Criminal Code).

Offences involving copyright infringements (Article 25 novies of the Decree);

- Dissemination of a protected intellectual work (or part of it) through a system of telematic networks (Article 171(1)(a-bis) and (3) of Law No. 633/1941);
- Unauthorised operation of computer programs and protected databases (Article 171-bis of Law No. 633/1941);
- Unlawful handling of works with literary, musical, multimedia, cinematographic, artistic content (Article 171-ter of Law No. 633/1941);
- Improper handling of media exempt from marking obligations or fraudulent non-compliance with marking obligations (Article 171-septies of Law No. 633/1941);
- Unlawful or otherwise fraudulent operation of equipment for decoding audio-visual transmissions with conditional access broadcast (Article 171-octies of Law 633/1941)

Solicitation not to provide statements or to provide mendacious statements to the judicial authorities (Article 25-*decies* of the Decree)
- Solicitation not to provide statements or to provide mendacious statements to the judicial authorities (Article 377 bis of the Italian Criminal Code);

Environmental offences (Article 25 undecies of the Decree);
- Environmental pollution (Article 452-bis of the Italian Criminal Code) - Environmental disaster (Article 452-quater of the Italian Criminal Code); - culpable offences against the environment (Article 452 quinquies of the Italian Criminal Code); - Aggravating factors (Article 452-octies of the Criminal Code); - Trafficking and abandonment of highly radioactive material (Article 452 of the Italian Criminal Code); - Killing, destruction, capture, taking, possession of specimens of protected wild animal or plant species (Article 727 bis of the Italian Criminal Code) - Destruction or deterioration of habitat in a protected site (Article 733-bis, Italian Criminal Code) - Illegal discharges of wastewater (Article 137 of Legislative Decree 152/2006); - Unauthorised waste management activities (Article 256 of Legislative Decree 152/2006); - Site remediation (Art. 257 of Legislative Decree 152/2006); - Breach of the disclosure obligation, obligation to keep compulsory registers and forms (Article 258 of Legislative Decree 152/2006); - Illegal trafficking of waste (Art. 259 of Legislative Decree 152/2006); - Activities organised for the illegal waste trafficking (Article 452-quaterdecies of the Italian Criminal Code) - IT system to monitor waste traceability (article 260-bis of Legislative Decree 152/2006); - Emissions into the atmosphere (Article 279 paragraph 5 of Legislative Decree No. 152/2006); - International trade in endangered animal and plant species (Art. 1 par. 1 and 2, Art. 2 par. 1 and 2 and Art. 6 par. 4 of Law No. 150/1992); - Alteration of certificates for the introduction of protected species into the European Community (Article 3-bis paragraph 1 of Law No. 150/1992); - Protection of stratospheric ozone and the environment (Article 3(6) of Law No 549/1993); - Wilful and culpable pollution of the marine environment carried out by means of ships' discharges (art. 8 paragraphs 1 and 2 of Legislative Decree no. 202/2007 and art. 9 paragraphs 1 and 2 of Legislative Decree no. 202/2007).

Employment of illegally staying third-country nationals (Article 25 duodecies of the Decree);

- 22) Employment of undocumented foreign nationals (Article 22 paragraph 12 bis of Legislative Decree No. 286/1998);
- Provisions against clandestine immigration (Article 12, paragraphs 3, 3-bis, 3-ter of Legislative Decree 286/1998);
- Laws against illegal immigration (Article 12, paragraph 5 of Legislative Decree 286/1998).

Racism and Xenophobia (Article 25-terdecies of the Decree)

- Propaganda and solicitation to commit a crime for reasons of racial, ethnic and religious discrimination (Article 604 bis of the Italian Criminal Code).

Fraud in sports competitions, illegal gaming or gambling and gambling using illegal devices (Article 25 quaterdecies of the Decree).

- Fraud in sporting events (Art. 1 of Law 401/1989);
- Unlawful gambling and betting (Article 1 of Law 401/1989)

Tax offences (Article 25-quinquiesdecies of the Decree)

- Fraudulent declaration by using invoices or other documents for non-existent transactions (Article 2, Legislative Decree no. 74/2000);
- Fraudulent declaration through other means (Article 3, Legislative Decree no. 74/2000);
- Issue of invoices or other documents for non-existent transactions (Article 8, Legislative Decree no. 74/2000);
- Concealment or destruction of accounting documents (Article 10, Legislative Decree no. 74/2000);
- Fraudulent evasion of tax payments (Article 11, Legislative Decree no. 74/2000);
- Offences committed in the context of cross-border fraudulent schemes and with a view to evading value added tax for a total amount of not less than EUR 10 million, such as a) Inaccurate tax return (Article 4 Legislative Decree 74/2000); b) Omitted declaration (Article 5 of Legislative Decree no. 74/2000); c) Undue compensation (Article 10-quater of Legislative Decree no. 74/2000).

Offences of smuggling (Article 25-sexiesdecies of the Decree)

- Smuggling in the movement of goods across land borders and customs areas (Article 282 of Presidential Decree No. 43 of 23 January 1973);
- Smuggling in the movement of goods in border lakes (Article 283 of Presidential Decree No. 43 of 23 January 1973);
- Smuggling in the movement of goods carried by the sea (Article 284 of Presidential Decree No. 43 of 23 January 1973);
- Smuggling in the movement of goods by air (Article 285 of Presidential Decree No. 43 of 23 January 1973);
- Smuggling in out-of-town areas (Article 286 of Presidential Decree No. 43 of 23 January 1973);
- Smuggling for undue use of goods imported with customs facilities (Article 287 of Presidential Decree No. 43 of 23 January 1973);
- Smuggling in customs warehouses (Article 288 of Presidential Decree No 43 of 23 January 1973);
- Smuggling in cabotage and traffic (Article 289 of Presidential Decree No. 43 of 23 January 1973);
- Smuggling in the export of goods eligible for duty drawback (Article 290 of Presidential Decree No. 43 of 23 January 1973);
- Smuggling on temporary import or export (Article 291 of Presidential Decree No. 43 of 23 January 1973);
- Smuggling of foreign tobacco products (Article 291-bis of Presidential Decree No. 43 of 23 January 1973);
- Aggravating circumstances of the offence of smuggling foreign manufactured tobacco (Article 291-ter of Presidential Decree No 43 of 23 January 1973);
- Criminal association for the purpose of smuggling foreign manufactured tobacco (Article 291-quater of Presidential Decree No. 43 of 23 January 1973);
- Other cases of smuggling (Article 292 of Presidential Decree No 43 of 23 January 1973).

The conduct envisaged in the above articles only constitutes an offence if the conditions set out in Article 295 of Presidential Decree No. 43/1973 are fulfilled.

Crimes against cultural heritage (Article 25-septiesdecies of the Decree)

- Theft of cultural heritage (Article 518-bis of the Italian Criminal Code)
- Misappropriation of cultural heritage (Article 518-ter of the Italian Criminal Code);
- Receiving stolen cultural heritage (Article 518-quater of the Italian Criminal Code)
- Forgery in a private contract relating to cultural heritage (Article 518-octies of the Italian Criminal Code);
- Violations relating to the sale of cultural heritage (Article 518-novies of the Italian Criminal Code);
- Illegal importation of cultural heritage (Article 518-decies of the Italian Criminal Code);
- Illegal exit or export of cultural heritage (Article 518-undecies of the Italian Criminal Code);
- Destruction, dispersion, deterioration, defacement, and unlawful use of cultural and landscape heritage (Article 518-duodecies of the Italian Criminal Code);

- Counterfeiting of works of art (Article 518-quaterdecies of the Italian Criminal Code).

Laundering of cultural assets and the devastation and looting of cultural and landscape assets (Article 25-duodevicies of the Decree);

- Money laundering of cultural heritage (Article 518-sexies of the Italian Criminal Code);
- Destruction and looting of cultural and landscape heritage (Article 518-terdecies of the Italian Criminal Code).

Non-compliance with disqualification sanctions (Article 23 of the Decree)

According to Art. 23 of the Decree:

"1. Anyone who, while carrying out the activity of the entity to which a sanction or precautionary disqualification measure has been applied, transgresses the obligations or prohibitions inherent in such sanctions or measures shall be punished by imprisonment of from six months to three years.
2. In the case referred to in paragraph 1, the entity in whose interest or to whose advantage the offence was committed is liable to a pecuniary administrative sanction ranging from two hundred to six hundred shares and the confiscation of the profit, pursuant to Article 19.
3. If the entity has made a significant profit from the offence referred to in paragraph 1, the disqualification sanctions shall apply, even if different from those previously imposed."

Sanctions

The penalty system provided for Entities by the Decree is articulated and varied, comprising pecuniary sanctions, disqualification sanctions, a reputational sanction and finally that of the confiscation of the price or profit of the offence.

The determination of the **financial penalties** applicable under the Decree is based on a quota system. For each offence, in fact, the law in abstract determines a minimum and a maximum number of quotas; the number of quotas can never be less than one hundred and more than one thousand, and the amount of the individual quotas can range from a minimum of approximately EUR 258 to a maximum of approximately EUR 1549. On the basis of these reference, the judge, having ascertained the liability of the entity, determines the financial penalty applicable in the specific case.

The judge's determination of the number of quotas shall be measured in relation to the seriousness of the offence, the degree of liability of the entity, and any activity carried out to remedy the consequences of the offence committed and to prevent further offences. Instead, the amount of the individual quotas is set according to the economic and financial conditions of the entity, in order to ensure the appropriateness of the sanction.

In the cases provided for by law, the criminal court may apply **disqualification sanctions,** which may be highly detrimental since they affect the entity's activity itself.

To this end, first of all, the express regulatory provision of the possibility of imposing a disqualification sanction following the commission of the crime actually committed is required.

Furthermore, it is necessary that the offence committed by the top manager should have procured a significant profit for the entity, that the offence committed by the subordinate should have been caused or facilitated by serious organisational deficiencies, or that there should have been a repetition of the offence.

Disqualifying sanctions may consist of:

a) disqualification from the exercise of business activity;
b) suspension or revocation of the authorisations, licenses or concessions involved in the commission of the crime; and
c) prohibition to contract with governmental entities, except to obtain the performance of a public service;
d) exclusion from benefits, loans, grants or subsidies and the possible revocation of those already granted;
e) prohibition of advertising goods or services.

In cases in which the interruption of the Entity's activity could result in significant impacts on employment and/or serious harm to the community (in the case of entities performing a public service or a service of public necessity), the judge may order the continuation of the activity by a commissioner in lieu of the disqualification sanction.

Under certain conditions, disqualification sanctions may be applied as precautionary measures in the course of proceedings.

The publication of the sentence in one or more newspapers, either in excerpts or in full, may be ordered by the Judge, together with posting in the municipality where the Entity has its head office, when a disqualification sanction is applied. Publication is carried out by the relevant Court Registry, but at the expense of the Entity.

A sentence shall always order the **confiscation** (also for equivalent) of the price or profit derived from the offence committed (except for the part that can be returned to the injured party).

When it is not possible to perform confiscation of assets directly constituting the price or profit of the offence, confiscation may concern sums of money, assets, or other utilities of equivalent value to the price or profit of the offence.

As a precautionary measure, seizure may be ordered in respect of items constituting the price or profit of the offence or their monetary equivalent that are liable to confiscation.

Inchoate offenses

The scope of application of the sanction system provided for in Legislative Decree No. 231/2001 also applies where the offence remains at the level of attempt (Article 26). In fact, the liability of the company may also arise if the offence takes the form of an inchoate offence (Article 26 of the Decree), i.e. when the agent performs acts that are unequivocally suitable for committing the offence and the action is not carried out or the event does not occur (Article 56 of the Criminal Code).

In that case, the pecuniary and disqualification penalties are reduced by between one third and one half. Furthermore, the entity is not liable when it voluntarily prevents the performance of the action or the realisation of the event.

3.2 THE ROLE OF THE ORGANISATIONAL MODEL IN THE 231 SYSTEM

As seen above, charging criteria of an objective and subjective nature oversee the application of the 231 sanctions outlined. The offence must first of all be committed by senior or subordinate persons in the interest or to the advantage of the entity, which is an objective criterion of charge. With regard to subjective charge, on the other hand, the main focus of Legislative Decree 231/2001 is the already mentioned organisational negligence: the entity can be punished if it has not actively structured an anti-crime organisation. Conversely, if an adequate and effective organisational model ('**Model**') is in place, it may not be affected by the sanctions described above.

More specifically, the path of subjective charge follows different paths depending on the apical or subordinate status of the offender.

In particular, in the case of an offence committed by a apical subject, the entity is not liable if it proves that (pursuant to Article 6(1) of Legislative Decree No. 231/2001):

a. the management body has adopted and effectively implemented, prior to the commission of the offence, organisational and management models capable of preventing offences of the kind committed;
b. the task of supervising the functioning, effectiveness and observance of the models and ensuring that they are updated was entrusted to a body of the entity with autonomous powers of initiative and control (the so called "**Supervisory Body**" or "**SB**");
c. the natural persons committed the offence by fraudulently circumventing the organisation and management models;
d. that there has been no omission or insufficient supervision by the body referred to in (b) above.

The aforementioned Legislative Decree 231/2001 outlines the content of the organisational and management models, establishing that they must meet - in relation to the extent of the delegated powers and the risk of offences being committed - the following requirements (on the further essential requirement of a good organisational model represented by the whistleblowing, see below):

a) identifying the activities in the context of which the predicate offences may be committed;
b) provide specific protocols to plan training and implementation of the entity's decisions regarding the crimes to be prevented;
c) identifying methods through which financial resources are to be managed to prevent the commission of these offences;
d) impose obligations to inform the body charged with overseeing the functioning of and compliance with the organisational model; and
e) introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the organisational model.

Pursuant to Article 7(1) of Legislative Decree 231/2001, in the case of an offence committed by subordinates to the management of others, the entity is not liable if failure to comply with management or supervisory obligations did not contribute to the commission of the offence.

In any event, liability is excluded if the entity, before the offence was committed, had adopted and effectively implemented an organisation, management and control model suitable for preventing the kind of offences that occurred (Article 7(2) of Legislative Decree No. 231/2001).

Adoption of the Model is optional and not mandatory. Any omission to adopt it is not, in itself, subject to any sanctions, but exposes the Entity to liability for administrative wrongdoing resulting from any offences committed by apical or subordinate persons. The adoption of a suitable Model and its effective implementation

therefore become essential in order to benefit from this sort of ‘shield’ or as an indispensable condition to benefit from the exemption provided for by the lawmaker.

In addition, it is important to keep in mind that the Model is not to be regarded as a static tool, but must be considered, on the contrary, as a dynamic apparatus that allows the Entity to eliminate, through a correct and targeted implementation of it over time, any deficiencies that, at the time of its creation, could not be identified.

The adoption of the Model must necessarily be followed up by its effective and concrete implementation and its updating and development aimed at maintaining compliance with the law and timely detection of risk situations, taking into account the type of activity carried out and the nature and size of the organisation. Indeed, the effective implementation of the Model requires regular training activities, as well as periodic verification and amendment of it if significant violations of the provisions of the law are discovered or if there are significant changes in the organisation; the existence of an appropriate disciplinary system is also important.

It should be noted that the Company’s Model has also been drafted on the basis of the Guidelines drawn up by Confindustria. However, it should be pointed out that the Guidelines are not binding and that the Models prepared by the Entities may depart from them (without affecting their effectiveness) due to the need to adapt them to individual organisational realities.

4. THE ORGANISATIONAL AND INTERNAL CONTROL SYSTEM

4.1 GENERAL PRINCIPLES

Below are the general principles that inspire the Company in the preparation of its organisational and internal control system.

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Responsibilities must be set out and duly allocated, avoiding functional overlaps or operational allocations that place critical activities on a single person.

No significant operations (in qualitative-quantitative terms), within each area, may be originated/activated without authorisation.

Powers of representation must be conferred in accordance with areas of activity and limits strictly related to the tasks assigned and the organisational structure.

Operating procedures, service orders and information systems must be consistent with Company policies and the Code of Ethics.

In particular, financial information must be prepared:

- in compliance with laws and regulations, as well as the established accounting principles;
- consistent with set administrative procedures;
- as part of a comprehensive and up-to-date chart of accounts.

Control Principles and Patterns

Without prejudice to what is regulated in the relevant Sections of the Special Part of the Model, for the purpose of drafting/integrating the control procedures, below are the principles to which the specific procedures aimed at preventing the commission of Offences must be guided.

Approval of procedures must be entrusted to personnel other than the head of the structure that performs the activity to be regulated, but at the same time it must include input from those who will have to apply it.

The procedures must ensure compliance with the following control elements:

- traceability: it must be possible to determine the origin of the documents and of the information/documentary sources used to support the activity performed, in order to guarantee the transparency of the decisions made; for each operation there must be adequate documentary support on which it must be possible to carry out checks at any time to certify the details and reasons for the operation and to identify who authorised, performed, recorded and verified the operation;
- division of duties: there must be no subjective identity between those who make or implement decisions, those who must give accounting evidence of the operations decided upon, and those who are required to carry out the controls provided for by law and by the procedures laid down in the internal control system; furthermore:
  - no one may be granted unlimited powers;
  - powers and responsibilities must be clearly defined and known within the organisation;
- signature and authorisation powers: official rules must be in place regarding the exercise of signature powers and internal authorisation powers;
- filing/keeping of documents: documents pertaining to the activity must be filed and kept, by the competent function, in such a way that they cannot be altered subsequently, except with appropriate evidence;
- records of controls: the control system must provide for a reporting system (possibly by means of minutes) suitable for documenting the performance and outcome of controls, including supervisory controls;

- confidentiality: access to documents already filed, as referred to in the preceding point, must be justified and allowed only to the person in charge under internal rules, or his delegate, the Board of Statutory Auditors and the Supervisory Body.

4.2 GENERAL SAFEGUARDS OBJECTIVES

In order to reasonably prevent the commission of the Offences, the Company has identified the following main control objectives, which the Company structures are required to pursue through the adoption of procedures, operating instructions and other operational tools. The Sections of the Special Part of the Model identify the specific control objectives that the Company has set itself for the prevention of each category of offence.

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- Operational processes must be defined with adequate documentary/system support to ensure that they are always verifiable in terms of appropriateness, consistency and accountability.
- Operational choices must be traceable in terms of nature and reasons, and those who authorised, performed and verified individual activities must be identifiable.
- The exchange of information between related phases/processes must include mechanisms (reconciliations, checks, etc.) to ensure the integrity and completeness of the data managed.
- Human resources must be selected, recruited and managed in a clear manner and in line with ethical values and in compliance with laws and regulations.
- The professional knowledge and skills available in the Functions must be periodically analysed in terms of their congruence with the assigned objectives.
- Personnel must be trained and instructed to perform their assigned tasks.
- The acquisition of goods and services for business operations must be based on analyses of needs and from selected and monitored sources.
- There must be a process/activity indicator system and a corresponding periodic reporting flow to senior management (e.g. Board of Directors).
- Administrative and management information systems must be geared towards integration and standardisation.
- The security mechanisms must guarantee the protection of and physical and/or logical access to the data and assets of the various structures, following the criteria of competence, functions and operational needs.
- The control system is subject to continuous supervision and periodic evaluation aimed at constant adjustment.

4.3 OBJECTIVES AND STRUCTURE OF PTI ITALIA'S ORGANISATIONAL MODEL

PTI Italia is a leading operator in the field of telephony infrastructure management: the company operates in the national market for hospitality services, providing infrastructure space for wireless networks, sensors, IoT.

Thanks to their tower site park, in fact, they host the equipment and antennas of all entities that need to transmit their radio signal: typically, mobile telecommunication operators (GSM/UMTS/LTE/5G operators), wireless (WiFi/WiMax operators) and utility companies or other institutions.

PTI Italia's activities are realised through three types of tower parks:

- **Infrastructure** Site Park: PTI Italia owns several hundred towers or pylons in which it houses operators. In this case, the company manages relations with customers (e.g. mobile operators), maintains the facilities and manages the upgrading of structures/facilities, and finally interfaces with

the landlord who owns the area where the tower is located, with whom it usually regulates the relationship through a lease agreement;

- **Master** Site Park: PTI Italia in this case has the rights of use over the land or rooftop where it hosts the owner of the structure who in turn maintains it and hosts the operators; the company operates in this way on several hundred sites;

- **Rt2Market** Site Park: lastly, there are infrastructures owned by another company where PTI Italia has exclusive marketing rights through a *marketing* agreement to manage the operators' hospitality, paying the said company a fee, and executes contracts with end customers.

The site park consists of an extensive portfolio of locations scattered throughout the country, in strategic positions to suit the needs of mobile operators operating GSM, DCS, UMTS, LTE and 5G technology, offering solid support for the development of mobile and FWA operator networks.

Plants consist of technology areas/locations where equipment is usually placed and poles or masts where antennas are typically positioned. In addition, the company also carries out a more complex activity - involving greater technological content - for certain customers, such as the planning, design, realisation and management of infrastructures.

PTI Italia develops and manages its business both through its own staff and through a network of companies and collaborators spread across the country.

PTI Italia's objectives are to consolidate and expand its role as a Tower Operator by strengthening partnerships with operators and increasing its offer to its customers through the proposal of a wide range of integrated services.

In 2021, the Company was acquired by Phoenix Tower International, through Phoenix Tower Italia S.p.A.

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The Company, in order to always ensure conditions of correctness and transparency from an ethical and regulatory point of view, has considered it appropriate to adopt an Organisation and Management Model capable of preventing the commission of the offences provided for in the Decree.

Considering the reference regulatory context in which it is active, as well as the system of controls to which it is subject, in defining the 'Organisation, Management and Control Model' the Company has adopted a design approach that allows it to use and integrate into this Model the rules that currently exist, including those emanating from Phoenix Tower International, forming, together with the Code of Ethics, an organic body of internal rules and principles, aimed at disseminating a culture of ethics, correctness and legality. The Corporate Values that inspire the activities of Phoenix Tower International and its affiliates include the following: excellence and professionalism, commitment to creating a safe working environment, integrity and fostering a multi-cultural environment, supporting communities, and innovation.
The Company has deemed it appropriate to adopt a specific Model pursuant to the Decree in the conviction that this constitutes not only a valid tool for raising the awareness of all those who act in the name of and operate on behalf of or in the interest of the Company, so that they are aware of the consequences that may arise from a conduct that does not comply with the rules outlined therein and behave correctly and transparently in accordance with the precepts and procedures defined by the Company, but also a more effective means of preventing the risk of the offences provided for by the reference legislation being committed.

In particular, through the adoption and constant updating of the Model, the Company intends to pursue the following main aims to:

- specifically determine the “sensitive activities”, i.e. those activities within the scope of which, by their nature, the offences provided for in the Decree may be committed;
- determine the general principles of conduct, to which specific procedures and protocols are added with reference to individual company functions;
- determine, in all those who act in the name of and operate on behalf of or in the interest of the Company (directors, Company personnel, external collaborators, partners, etc.), the awareness that they may incur disciplinary and/or contractual consequences, as well as criminal and administrative sanctions that may be imposed on them, in the event of violation of the provisions issued on the matter;
- reiterate that any forms of unlawful conduct are strongly condemned by the Company, since even if the Company were apparently in a position to benefit from them, or if they were carried out in its interest, they are in any case contrary not only to the provisions of the law, but also to the ethical principles to which the Company intends to adhere in the performance of its business activities;
- provide adequate record keeping and traceability of relevant transactions;
- avoid the concentration of the management of an entire process on one person within the organisation;
- identify the processes for managing and controlling financial resources;
- identify a system of disciplinary sanctions applicable in the event of violation of the provisions contained in the Model in line with the Workers’ Statute and the National Labour Contract. The disciplinary system is implemented on the adversarial and proportionality principles within a framework of equal treatment of all the different categories of persons required to comply with the contents of the Model;
- entrust the SB with the task of supervising the operation of and compliance with the Model and proposing its updating if there have been significant violations of the provisions or organisational changes or changes in the Company’s activities;
- provide adequate training to Company Representatives (including Employees) and Recipients in general, on the activities included in the Risk Areas (which may entail the risk of commission of Offences) and on the sanctions that may be imposed on them or on the Company as a result of the violation of the law or of the Company’s internal provisions;
- disseminate and affirm a corporate culture based on legality, with the express repudiation by the Company of any conduct contrary to the law or internal provisions and, in particular, the provisions contained in this Model;
- disseminate a culture of control, which must oversee the achievement of the objectives that, over time, the Company sets itself;
- provide for an efficient and balanced organisation of the company, with particular regard to the formation of decisions and their transparency, preventive and subsequent controls, as well as internal and external information;
- prevent the risk through the implementation of specific procedural principles aimed at regulating the formation and correct implementation of corporate decisions in relation to the offences to be prevented;

The adoption of the current Model was preceded by a risk assessment on the basis of the provisions of the Decree and on the indications contained in the “*Guidelines for the construction of organisational, management and control models pursuant to Legislative Decree 231/2001”* drawn up by Confindustria. The purpose of this activity was to carry out a preliminary mapping of the company functions and the related activities exposed to the risk of offences and to assess what actions should be taken to address the critical issues that emerged.

In particular, the work carried out aimed, among other things, to analyse the current situation from the point of view of As is Analysis and identify critical issues related to it (i.e. Gap Analysis) in order to update the Company’s organisational, management and control system to the new business and legislative realities.

In drafting and updating this Model, account was therefore taken of the regulations in force, the procedures and the control systems already in place and already operating within the Company, insofar as they are in part already suitable for reducing the risks of commission of offences and unlawful conduct in general, including therefore also those provided for by the Decree.

The Model consists of a General Part and a Special Part, the latter in turn subdivided into several sections, referring to the different types of Offences considered relevant for the purposes of the Decree with reference to the Company's Business Activities.

4.4 RISK MAPPING

Article 6 of the Decree provides for an analysis of the activities performed within the Company in order to identify those which, in accordance with the Decree, may be deemed to involve a risk of offences.

Therefore, the first step was to identify "offence risk" or "sensitive" areas, as required by the legislation in question.

In order to establish the potential risk profiles for the Company, in accordance with the regulations dictated by the Decree, the following were established:

- company structure and the activity carried out, identified through a study of the organisational provisions in force;
- conducted interviews with representatives of the main corporate functions;
- ascertained the individual activities at risk for the purposes of the Decree.

The mapping phase of the activities at risk made it possible to identify the areas at risk and the sensitive activities most exposed to the offences provided for in the Decree. At the end of the above process, a '*Risk Assessment & Gap Analysis*' grid was drafted.

More specifically, the preparation of this Model was preceded by a series of preparatory activities divided into different phases, all aimed at setting up a risk prevention and management system, in line with the provisions of Legislative Decree No. 231/01 and industry best practices.

In particular, for the purposes of adopting the Model, the Company carried out a risk assessment activity in order to

1. enable the Company to adopt the most suitable protocols to prevent offences in the areas of activity deemed to be at risk; and
2. support the SB in identifying the activities on which to focus its verification activities.

The risk assessment was carried out by means of individual interviews with process owners, as well as by examining relevant internal documents and the company organisational chart, with the aim of identifying:

1. the company processes at an abstract risk of offences being committed;
2. the specific activities, for each identified process, in which one or more unlawful behaviours may occur;
3. the function within which this activity takes place;
4. the offences potentially associated with each activity at risk;

5. existing controls within the identified activities.

Risk Assessment:

A risk assessment was then carried out, identifying for each activity at risk:

a) the **inherent risk**, understood as the level of risk abstractly linked to each business activity, irrespective of the existence of safeguards in place to mitigate that risk;
b) the **effectiveness of the control system** in preventing the risks abstractly present in the identified processes;
c) the **residual risk**, which represents the level of risk determined taking into account the mitigating effect of the control system in place.

In this regard, the level of inherent risk was identified on the basis of the following quantitative indices:

a) **Probability**, understood as the frequency of a given activity being performed in the Company's business, according to the table below:

scale	classification	description
1	Low frequency/episodic	the activity is carried out in exceptional circumstances, without a defined periodicity
2	Average/periodic frequency	the activity is carried out with a predetermined or determinable frequency
3	High frequency / continuous	the activity takes place constantly / with considerable frequency

b) **Impact**, understood as the seriousness of the consequences in the event of the commission of one of the predicate offences linked to the activity in question:

scale	classification	description
1	low	fine of up to 500 quotas
2	medium	fine exceeding 500 quotas
3	high	disqualification sanction

These quantitative indices were weighted, where necessary, by a qualitative assessment of the seriousness of the inherent risk.

Following the inherent risk, **the overall effectiveness of the control system** in place for each risk activity considered in mitigating the existing inherent risks was assessed, taking into account

- the compliance of the process with established best practices;
- the existence of written procedures, manuals or directives governing the activity in question;

- the existence of computer tools or other tools for the automatic control of activities;
- the existence and level of segregation of duties within the process;
- the existence of formalised powers and first-level controls within the process.

Based on the assessment of the above parameters, the overall effectiveness of the control system for each relevant activity was classified as **low**, **medium** or **high**.

The level of **residual risk** was determined starting from the inherent risk identified as above and considering the mitigating effect of the existing control system, according to the diagram below:

inherent risk		**effectiveness of the control system**		
		high	**media**	**low**
	low	low risk	low risk	low risk
	medium	low risk	medium risk	medium risk
	high	low risk	medium risk	high risk

Gap Analysis and Risk Control

On the basis of the risk assessment as described above and, in particular, the effectiveness of the existing control system compared to industry *best practices*, the Company has identified areas for possible further improvement, immediately implementing the necessary measures and adopting adequate control plans to govern the residual risks, as well as a process of continuous improvement of the control system, which may be subject to periodic verification by the Supervisory Body, also in function of a periodic review of the level of residual risk as a result of the constant improvement of the effectiveness of the control system.

The documentation sent by the Company was also examined, relating, in particular, to contracts with third parties (i.e. consultancy, services).

Each special part is subdivided into:

1. description of the potentially applicable offences;
2. listing of risk areas and sensitive activities;
3. the general and specific behavioural principles to be adopted to prevent the commission of offences.

5. ADOPTION OF THE MODEL

5.1 ADOPTION AND IMPLEMENTATION OF THE MODEL

This document is "*an act of issuance by the management body*" in accordance with the provisions of the Decree, and therefore its adoption, any changes to it, and the responsibility for its concrete implementation, are referred to the Company's Board of Directors.

5.2 THE RECIPIENTS OF THE MODEL

The Model and the provisions contained and referred to therein must be complied with by the following persons (the "Recipients"):

- Corporate Officers
- Employees
- External Parties

With regard to External Parties, compliance with the Model is ensured by means of a contractual clause committing the contracting party to abide by the principles of the Code of Ethics and the Model adopted by the Company, and to report any news of the commission of offences or the violation thereof (see paragraph 6 below).

5.3 UPDATING OF THE MODEL

Updating the Model becomes necessary on the occasion of::

- the introduction of significant new legislation;
- significant cases of violation of the Model and/or outcomes of audits on its effectiveness or experiences in the public domain in the sector;
- significant organisational changes in the company's structure or business sectors.

Updating must be performed cyclically and continuously, and the task of formally arranging and implementing the updating or adaptation of the Model is assigned to the Board of Directors, with the cooperation of the Supervisory Body.

More specifically:

- the Supervisory Body informs the Board of Directors of any information of which it is aware that may determine the need to update the Model;
- the update schedule is set by the Company, in agreement with the Supervisory Body and with the contribution of the corporate functions concerned;
- the Supervisory Body monitors the implementation of the actions ordered and informs the Board of Directors of the outcome of the activities.

Amendments and additions are left to the competence of the Board of Directors of the Company.

Amendments concerning the implementation protocols of the Model (e.g. procedures) are adopted directly by the corporate functions concerned, possibly also after consulting the Supervisory Body, which may express an opinion and make proposals to that effect.

Amendments of a purely formal nature to the Model may be introduced directly by the Legal department, subject to appropriate reporting to the Board of Directors.

6. THE SUPERVISORY BODY (SB)

6.1 ESTABLISHMENT

Pursuant to Article 6(1)(b) of Legislative Decree No. 231/2001, the Company, by a resolution of the Board of Directors, set up a Supervisory Body (the "**SB**"), which is entrusted with the task of supervising the operation of and compliance with the Model and ensuring that it is updated.

Pursuant to Article 6(l)(b) of Legislative Decree 231/2001, the Supervisory Body is endowed with "*autonomous powers of initiative and control*".

The Supervisory Body operates with appropriate autonomy and reports to the Board of Directors and/or the Board of Statutory Auditors, availing itself of the support of those corporate functions that from time to time may be useful for its activities.

6.2 APPOINTMENT AND REQUIREMENTS

The SB remains in office for three years and its members can be confirmed in office at the end of their term.

In accordance with the Guidelines, the Company's Supervisory Body may be composed of one or more members, as decided by the Company's Board of Directors. In the case of a single-member composition, the role must be filled by a person from outside the Company. If the Company opts for a multi-member composition, the majority of the members must be chosen from outside the Company.

The Supervisory Body as a whole, whether in single or multi-subject form, must meet the requirements of:

- autonomy and independence: absence of operational tasks, third party position with respect to the subjects to be supervised
- professionalism: technical-professional skills appropriate to the functions to be performed
- continuity of action: possibility of constant supervision of compliance with the Model and assiduous verification of its effectiveness and efficacy.

Furthermore, the individual members of the Supervisory Body must meet the requirements of professionalism and honourableness. In particular, the following may not be appointed as members of the Supervisory Body:

a. those who have suffered a conviction, even if not final or with a conditionally suspended sentence, or a sentence issued pursuant to Articles 444 et seq. of the Code of Criminal Procedure, without prejudice to the effects of rehabilitation:

   - to imprisonment for a term of not less than one year for one of the offences provided for in Royal Decree 267 of 16 March 1942;
   - to imprisonment for a term of not less than one year for one of the offences provided for in the rules governing banking, financial, securities and insurance activities and in the rules governing markets and securities, payment instruments;
   - to imprisonment for a term of not less than one year for an offence against the public administration, against public faith, against property, against the public economy, for a crime relating to tax matters;
   - for any offence committed with criminal intent to imprisonment for a term of not less than one year;
   - for one of the offences provided for in Title XI of Book V of the Civil Code as reformulated by Legislative Decree No. 61/2002 and amended by Law 69/2015;

- for an offence which results in and has resulted in a conviction to a penalty leading to disqualification, including temporary disqualification, from public office, or temporary disqualification from the executive offices of legal persons and companies;
- for one of the offences or administrative offences referred to in the Decree, even if sentenced to lesser penalties than those indicated in the preceding points;

b. those who have been served a committal to trial for one of the offences or administrative offences referred to in the Decree;
c. those who have been subjected to preventive measures pursuant to Law No. 1423 of 27 December 1956 or Law No. 575 of 31 May 1965 as subsequently amended and supplemented, unless criminal rehabilitation has been granted;
d. pursuant to Legislative Decree No 159 of 6 September 2011 “Code of anti-mafia laws and prevention measures, as well as new provisions on anti-mafia documentation (*Codice delle leggi antimafia e delle misure di prevenzione, nonché nuove disposizioni in materia di documentazione antimafia*)”.

Candidates for the office of members of the Supervisory Body must provide a statement in lieu of certification ensuring that they do not find themselves in any of the conditions of ineligibility indicated above, expressly undertaking to notify any changes to the content of such declarations.

6.3 TERMINATION

The Board of Directors of the Company can only dismiss the members of the Supervisory Body for just cause.

They constitute just cause for dismissal:

- significant failures to comply with the mandate conferred, with regard to the tasks indicated in the Model, including breach of confidentiality obligations concerning the news and information acquired by reason of the mandate and negligence in pursuing the activities of control and updating of the Model;
- unjustified absence from three or more meetings of the Supervisory Body, even if not consecutive;
- when the Board of Directors becomes aware of the aforesaid causes of ineligibility, prior to appointment as a member of the Supervisory Body and not indicated in the self-certification;
- when the following grounds for disqualification occur.

6.4 TERMINATION

The members of the Supervisory Body cease to hold office if, after they are appointed:

- find themselves in one of the situations provided for in Article 2399 of the Civil Code;
- they lose the requirements of integrity mentioned above.

The members of the Supervisory Body may resign from office at any time, with at least two months’ notice, without having to give any reason.

6.5 FINANCIAL RESOURCES ALLOCATED TO THE SB

The SB is endowed with an adequate financial budget - decided annually by the Board of Directors - which it may use to perform its functions; in the event of extraordinary needs requiring additional financial resources, the SB shall submit a specific request to the Board of Directors.

The members of the SB must be adequately remunerated, and the Board of Directors will determine their annual remuneration.

6.6 DUTIES AND RESPONSIBILITIES

From a general point of view, the SB carries out two types of activities aimed at reasonably reducing the risks of offences being committed:

- ensuring that the Recipients of the Model, specifically identified on the basis of the different offences and relevant processes identified, comply with the provisions contained therein;
- verifying the results achieved by the application of the Model with regard to the prevention of offences and assess the need or advisability of adapting the Model to new regulations or new company requirements.

As a result of these checks, the SB will propose to the competent bodies any adjustments and updates to the Model that it deems appropriate: it must therefore be promptly informed of any changes to both the Model and the Company's corporate structure.

From an operational point of view, the SB shall:

- carry out periodic interventions, on the basis of an annual or multiannual programme drawn up by the SB itself, aimed at ascertaining the provisions of the Model and, in particular, carrying out the following activities:
  a. verify that the procedures and controls it covers are applied and documented in a compliant manner;
  b. verify that ethical principles are complied with;
  c. assess the adequacy and effectiveness of the Model in preventing offences relevant to the Decree.
- report any shortcomings/inadequacies of the Model in the prevention of offences relevant under the Decree and verify that the management implements corrective measures;
- suggest appropriate verification procedures, always bearing in mind, however, that the responsibility for controlling activities lies with management;
- initiate internal investigations in the event of a breach of the Model or suspected commission of offences, as provided for in paragraph 8 below;
- carry out monitoring activities and spot checks;
- promote initiatives to spread knowledge and effective understanding of the Model among the Recipients, ensuring the preparation of internal documentation (instructions, clarifications, updates) or specific training seminars, necessary for the Model to be understood and applied, in accordance with the provisions of paragraph 7 below;
- cooperate with the heads of the various Company departments for the control of activities in the areas at risk and discussing with them all issues relating to the implementation of the Model (e.g. definition of standard clauses for contracts, organisation of courses for personnel, new relations with the Public Administration, etc.);
- keep the Model up-to-date, ensuring that it is adapted to new regulations or organisational changes in the Company;
- request the periodic updating of the risk map, and verify its actual update through periodic targeted audits of risk activities. To this end, management and control officers shall send to the SB reports of any situations that may expose the Company to the risk of offences;
- collect, process and store all relevant information received on compliance with the Model.

For the proper performance of its duties, the SB shall:

- have free access, without the need for any prior consent, to persons and to all company documentation (documents and data), as well as the possibility of acquiring relevant data and information (financial, asset, economic transactions and all those transactions that more generally concern the management of the company) from the responsible persons; to this end, the

Supervisory Body may request from the various company functions, including top management, all the information deemed necessary for the performance of its activities;
- be entitled - by cooperating with and informing the corporate functions concerned in advance - to request and/or assign third parties with the necessary specific skills, tasks of a technical nature;
- issue regulations governing the schedule of activities and arrangements for meetings and information management;
- meet at least four times a year and as often as deemed necessary or urgent; the meetings will be minuted and copies of the minutes will be kept by the SB.

6.7 REPORTING TO CORPORATE BODIES

The Supervisory Body prepares a report, at least every six months, for the Board of Directors and the Board of Statutory Auditors on the application and effectiveness of the Model, indicating the controls carried out and their results.

Furthermore, the Supervisory Body, during the Shareholders' Meeting called to approve the Financial Statements, prepares a report addressed to the Board of Directors, the Board of Statutory Auditors and the Shareholders Meeting, containing:

- a summary of all the work, controls and audits performed during the year;
- possible updating of the Model;
- other major issues; and
- the annual plan of work for the following year.

The Board of Directors may convene the Supervisory Body at any time to report on its activities and request to confer with it.

The Supervisory Body may in turn request to be heard by the Board of Directors of the Company or, in case of urgency, by the Managing Director, whenever it deems it appropriate to report promptly on violations of the Model or to request attention to critical issues relating to the functioning of and compliance with the Model.

6.8 COMMUNICATIONS TO THE SB (PERIODIC INFORMATION FLOWS)

In order to allow the Supervisory Body to monitor the adequacy and functioning of the Model, a communication system has been implemented between the Company and the Supervisory Body concerning all sensitive areas, as identified in the Special Part.

The purpose of the communication system to the Supervisory Body is to enable it to constantly acquire relevant information on all sensitive areas.

The purpose of the information flow system implemented by the Company is to create a communication system between those responsible for activities potentially at risk and the Supervisory Body that is structured, continuous and widespread.

Information flows take the form of the sending of communications and/or documents to the Supervisory Body in accordance with specific timeframes and methods.

Information flows are divided into:

- **Periodic information flows** to be compiled and sent to the Supervisory Body with a given frequency (monthly, quarterly, half-yearly or yearly);
- **Event-driven information flows** to be compiled and sent to the Supervisory Body upon the occurrence of certain events.

For details on formalised flows, both periodic and event-driven, please refer to the relevant paragraphs within the chapters of the Special Part.

In addition to the formalised flows indicated in the Annex mentioned above, all Recipients are required to transmit/report to the SB:

- internal reports from which responsibility for offences relevant for the purposes of the Decree or facts, events or omissions even only potentially referable to offences relevant for the purposes of the Decree arise;
- visits, inspections and investigations undertaken by the competent bodies and their outcome;
- measures and/or information from law enforcement agencies, or from any other authority, from which it can be inferred that investigations have been carried out for offences referred to in Decree, even against unknown persons;
- requests for legal assistance sent by directors, managers and/or employees against whom the judiciary proceeds in the event of offences under Decree;
- information about disciplinary proceedings (relating to the Model) and sanctions imposed or orders to close such proceedings and the rationale for the same;
- information on the development of activities pertaining to the risk areas identified by the Model and/or changes in the company organisation;
- information on security management and the status of implementation of planned measures;
- copies of the minutes of the Board of Auditors and the Board of Directors;
- the organisational charts and the system of delegated powers and signatures in force and any amendments thereto;
- certification of attendance at training courses by all Recipients of the Model.
- any information concerning the commission or attempted commission of unlawful conduct provided for in the Decree or which in any case is relevant for the purposes of the administrative liability of the Company;
- any information concerning violations of the behavioural and operational methods laid down in the Model, and more generally any act, fact or event or omission concerning any critical aspects that have emerged with regard to compliance with and proper implementation of the Model.
- information about changes in the internal structure of the Company.

All communications should be sent to the following e-mail address odv@phoenixintnl.com

6.9 COLLECTION AND STORAGE OF INFORMATION

All information, whistleblowing, flows, reports provided for in the Model are stored by the Supervisory Body in a special computer and/or paper archive, in compliance with the confidentiality obligations provided for by Legislative Decree No. 196/2003 as amended, without prejudice to the fulfilment by the Supervisory Body of the reporting obligations provided for by the Model.

7. REPORTS (SO-CALLED WHISTLEBLOWING) AND RELATED INVESTIGATION PROCEDURE

On March 15, 2023, Legislative Decree No. 24 of March 19, 2023, issued in implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 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, was published in the Official Gazette, which lastly innovated the regulation of whistleblowing reports, previously governed by Law No. 179 of November 30, 2017.

The aforementioned Legislative Decree. 24/2023 has, among other things, broadened the protection granted to whistleblowers, extending it to other categories of persons, and regulated reporting channels and methods, providing, among other things, for the implementation of reporting channels that guarantee, including through the use of encryption tools, the confidentiality of the identity of the person reporting, the person involved and the person in any case mentioned in the report, as well as the content of the report and the related documentation, and the possibility of making reports both in written form, including by computer, and in oral form.

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The Company, which has always been attentive to the matter, in compliance with the provisions of Legislative Decree 24/2023, has adopted a special procedure on whistleblowing (the "Whistleblowing Procedure") - implementation of this Model and which is intended herein to be referred to in full - the purpose of which is to define the appropriate channels of communication for the receipt, analysis and processing of reports of possible unlawful conduct within PTI Italia. For the benefit of the Recipients of the Model, its contents are summarized below.

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Recipients are encouraged to make reports by indication of information, including well-founded suspicions, regarding actual or potential violations that have occurred, or are very likely to occur, within the Company's organization and that concern conduct that:

- are not in line with PTI Italia's values, Code of Ethics and compliance procedures, including PTI Italia's Model 231 and, among others, Phoenix Tower International's Anti-Corruption and Anti-Bribery Compliance Program; or;
- do not comply with the laws applicable to PTI Italia.

The report, sufficiently substantiated and based on precise factual elements, must be made, to the extent possible, by providing the following information, together with any supporting documentation:

- clear and complete description of the conduct, including omission, that is the subject of the report;
- circumstances of time and place in which the reported facts were committed and related conduct;
- biographical data or other elements (e.g., position held, function/area of belonging) that make it possible to identify the person who allegedly carried out the reported facts;
- any third parties involved or potentially harmed;
- indication of any other persons able to provide information on the facts underlying the report;
- any other information that may provide useful feedback about the existence of the facts reported.

Reports made for the mere purpose of retaliation or intimidation or unfounded reports made with malice or gross misconduct shall be sanctioned.

The report must not relate to complaints of a personal nature and must not be used for merely personal purposes.

The Company guarantees the utmost confidentiality on the identity of the reporter, the person involved and the persons otherwise mentioned in the report, as well as on the content of the report and the related documentation, using, to this end, criteria and methods of communication suitable to protect the identity and honorability of the reporters and the persons mentioned in the reports, also in order to ensure that the person making the report is not subject to any form of retaliation and/or discrimination, avoiding in any case the communication of data to third parties unrelated to the process of handling the report.

Anonymous reports are allowed. These, however, limit the Company's ability to carry out an effective verification of what has been reported, as it is more complex to establish an easy information channel with the reporter. Therefore, they will only be considered if they are adequately substantiated and detailed.

The report, the recipient of which is the Whistleblowing Committee (as defined in the Whistleblowing Procedure), must be submitted:

1. in written or oral form through an IT platform accessible by typing the following url: https://secure.ethicspoint.com/domain/media/it/gui/55009/index.html

2. or, at the request of the whistleblower, orally through an in-person meeting with the Whistleblowing Committee, which can be requested through the IT platform accessible by typing the following url: https://secure.ethicspoint.com/domain/media/it/gui/55009/index.html, and must be scheduled within a period of 45 days from the request.

In any case, the Supervisory Board will be promptly informed of the receipt of any new report potentially relevant under Model 231 and will be enabled to directly review the report received. d and relate to potential wrongdoing or irregularities assessed as serious.

Within seven days of the receipt of the report, the Whistleblowing Committee shall provide feedback to the whistleblower on the receipt of the report and the timelines for investigative activities. Within three months from the date of the notice of receipt of the report (or, in the absence of such a notice, within three months from the expiration of the seven-day period from the submission of the report), feedback shall be provided to the whistleblower regarding the outcome of the investigation carried out regarding the report.

The Whistleblowing Committee shall preliminarily verify its relevance and the appearance of substantiation, if necessary with the assistance of external legal counsel, who is bound to a commitment of confidentiality on the activities carried out.

The Whistleblowing Committee then registers, by identification code/name, the report, ensuring traceability and proper filing of the documentation even in subsequent stages.

The Whistleblowing Committee classifies reports into:

- **Out-of-scope reports:** in which case the Whistleblowing Officer will inform the reporter, referring him/her if appropriate to other Company Departments to address the issues raised, and file the report;

- **Bad faith reporting**: if the report comes from an individual within the Company, it is forwarded to the Legal Department for consideration of initiating disciplinary proceedings. If the report comes from an external party (e.g., consultant, supplier, etc.), it is forwarded to the Legal Function for it to consider any possible measures in relation to the agreement in place with that external party, in coordination with any other relevant Functions;

- **In-scope reports**: if the Whistleblowing Committee finds that there are sufficient indications of potentially relevant conduct, such that an investigation can be initiated, it initiates the investigation phase.

The investigation phase takes the form of carrying out targeted checks on the reports, enabling the identification, analysis and evaluation of elements that confirm the reliability of the reported facts. The Whistleblowing Committee will carefully consider the possibility of engaging external professionals to assist in the investigation phase, coordinating with the Legal Function as appropriate.

The investigation phase takes the form of carrying out targeted checks on the reports, enabling the identification, analysis and evaluation of elements that confirm the reliability of the reported facts. The Whistleblowing Committee will carefully consider the possibility of engaging external professionals to assist in the investigation phase, coordinating with the Legal Function as appropriate.

The reported person may be heard, or, at his or her request, must be heard, including by obtaining written comments and documents.

The Whistleblowing Committee in conducting the review:

- must ensure full compliance with confidentiality requirements;

- must ensure that the same is carried out in a diligent, fair and impartial manner; this implies that each person involved in the investigation must be informed - once the investigation is completed - about the statements made and the evidence acquired against him or her and must be put in a position to be able to counter them;
- may avail itself of the support of technical consultants (such as, for example, external professionals or internal specialists of the Company) on matters outside its specific competence.

Information gathered in the course of the audit must be handled with due discretion and kept within the audit team.

The assessment phase may end with:

- **negative outcome**, in which case the report is dismissed;

- **positive outcome**: in which case the Whistleblowing Committee sends the outcome of the checks conducted to the Company's Board of Directors, and in copy knowledge to the SB, in order to enable the same to take the necessary countermeasures and any disciplinary sanctions.

At the conclusion of the investigation, feedback must be provided to the whistleblower, taking care that the content of such feedback does not prejudice any actions taken by the Company as a

result of the investigation and/or any ongoing investigations conducted by Public Authorities on the same facts.

The Whistleblowing Committee shall inform the Board of Directors and the Board of Statutory Auditors on the status of the reports received, when issuing periodic reports.

It is strictly forbidden for any Recipient to engage in direct or indirect retaliatory or discriminatory acts against the whistleblower for reasons related, directly or indirectly, to the report. The Whistleblowing Committee has the duty to act by taking all necessary precautions in order to ensure that this principle is respected, also ensuring the confidentiality of the identity of the whistleblower, without prejudice to legal obligations and the protection of the rights of the Company or persons wrongly accused and/or in bad faith.

8. TRAINING, COMMUNICATION AND UPDATING

8.1 TRAINING

In order to effectively implement the Model, the Legal Department, in coordination with the Supervisory Body, shall prepare, on the basis of the concrete needs identified by the Supervisory Body, an annual training plan for directors, managers, employees and independent contractors working directly within the Company structure, as well as para-subordinate workers.

In particular, the training activity will focus, inter alia, on the Model as a whole, the Code of Ethics, the operation of the Supervisory Body, information flows to the latter and the Disciplinary System, the Company's operating procedures relevant to the Model, as well as issues concerning the predicate offences for which liability is applicable pursuant to Legislative Decree 231/01.

The training activity will be planned, where necessary, in order to provide its users with the appropriate tools for full compliance with the Decree in relation to the scope of operations and the tasks of the recipients of the training activity.

Different training activities in terms of content and delivery methods, according to the Recipients' position within the Company, the level of risk of the area in which they operate and whether or not the Recipients are Company Representatives.

Training activities are managed by the Legal Department, in close cooperation with the Supervisory Body.

When hiring employees and engaging independent contractors and agents, they shall be given an information set to ensure that they have the primary knowledge considered essential for operating within the Company (see the following paragraphs).

The content of the training courses must be agreed in advance with the Supervisory Body, which, for this purpose, may and must indicate, within the scope of its activity, the subjects and topics that should be dealt with and explored in greater depth or to which it is necessary to draw the attention of the members of the statutory bodies and employees.

The Supervisory Body, in agreement with the Legal Department, ensures that the training programme is adequate and effectively implemented. Training initiatives may also take place at a distance or through the use of IT systems.

Appropriate communication tools, if necessary in addition to the sending of updates by e-mail, will be adopted to update the Recipients on any changes made to the Model, as well as any relevant procedural, regulatory or organisational changes

Training is compulsory for all employees, independent contractors and independent directors of the Company and is recorded by the Legal Department, which keeps track of it: repeated non-participation without a justified reason will be appropriately sanctioned.

The Model is formally communicated in the manner described below.

8.2 INTERNAL COMMUNICATION

Every director, manager, employee and independent contractor of the Company shall:

i. acquire awareness of the contents of the Model;
ii. know the operational modalities by which their activities must be carried out;
iii. contribute actively, in relation to their role and responsibilities, to the effective implementation of the Model, reporting any shortcomings found in it.

In order to ensure effective and rational communications, the Company promotes and facilitates employee awareness of the contents of the Model, adopting various degrees of analysis depending on the level of involvement in activities identified as sensitive in the Model's Special Parts.

Information on the content of the Model is ensured through:

- delivery or, in any case, making available the Model and its annexes, including the Code of Ethics, at the time of recruitment/appointment, also electronically;
- informative e-mails, also for the purpose of sending periodic updates of the Model.

The Legal Department is responsible for the dissemination of the Model and its updates. In particular, the aforementioned departments take care of the forwarding of the documents to the recipients by e-mail and receive the relevant acknowledgement of receipt via the same channel from each recipient. The Supervisory Body verifies that the competent functions ensure the proper dissemination of the Model and its updates.

All directors, managers, employees and independent contractors are required to complete a declaration in which they, having taken note of the Model, undertake to comply with its provisions

8.3 OUTWARD COMMUNICATION

The adoption of the Model is also communicated to External Parties, such as customers, suppliers, business partners (i.e. agents and distributors) and/or financial partners and consultants in general.

The communication and formal commitment by the aforementioned external parties to the Company to comply with the principles of the Company's Code of Ethics and this Model are documented through the preparation of specific declarations or contractual clauses duly submitted to and accepted by the counterparty.

In particular, all relevant corporate departments must ensure that standardised clauses are included in the contracts concluded for this purpose:

- compliance by the counterparties with the provisions of Legislative Decree 231/2001 and with the ethical and behavioural principles adopted by the Company;

- the possibility for the Company to adopt control measures in order to verify compliance with Legislative Decree 231/2001 and with the Company's principles of ethics and conduct;
- the inclusion of sanctioning mechanisms (termination of contract) in the event of violations of Legislative Decree 231/2001 and of the Company's principles of ethics and conduct.

Contracts with independent contractors must contain a specific clause regulating the consequences of their violation of the rules set out in the Decree as well as the principles contained in the Model.

The Company department that make use of the External Parties or that are designated as being in charge of the process in which the activity falls shall record the data and information that make it possible to know and assess their conduct, making them available, where requested, to the Supervisory Body for the purpose of carrying out the control activities.

External Parties shall be made aware of the Code of Ethics.

The Supervisory Body provides support to the other Company's departments, when information on the Model has to be provided outside the Company.

9. DISCIPLINARY SYSTEM

9.1 GENERAL PRINCIPLES

Article 6(2)(e) and Article 7(4)(b) of Legislative Decree No. 231/2001 provides for (with reference both to senior executives and to subordinates) the need to set up “a disciplinary system capable of penalising non-compliance with the measures indicated in the model”.

The latter is essential for the effectiveness of the Model and consists of the construction of an adequate system of sanctions for the violation of rules of conduct and, in general, of internal procedures (disciplinary offence).

The application of the disciplinary system requires the simple violation of the rules and provisions contained in the Model, including those contained in the Code of Ethics and in the Whistleblowing Policy, as well as the procedures, policies and internal regulations, in addition to the provisions of the law, regulations and the National Collective Bargaining Agreement (CCNL); therefore, it will be activated regardless of the commission of a criminal offence and the outcome of any criminal trial initiated by the competent judicial authority.

9.2 CRITERIA FOR THE APPLICATION OF SANCTIONS

In individual cases, the type and seriousness of specific sanctions will be applied based on the gravity of the misconduct and the following general criteria:

a. subjective element of the conduct, depending on intent or fault (negligence, imprudence, inexperience);
b. significance of the obligations breached;
c. the extent of the damage or degree of danger to the Company from the potential application of the sanctions provided for in Legislative Decree No. 231/2001;
d. level of hierarchical and/or technical responsibility;
e. aggravating or extenuating circumstances, with particular regard to previous work performance and disciplinary record in the last two years;
f. any sharing of responsibility with other workers who contributed to the misconduct.

Where a single action resulted in several infringements that are punishable by different penalties, the most serious penalty shall apply.

9.3 SCOPE AND RELEVANT CONDUCT

Company employees

Non-management employees

Subject to the prior notification and the procedure required by Article 7 of Law No. 300 of 20 May 1970 (“ Workers’ Statute”) - for the purposes of which this “disciplinary system” is also made available in a place/manner accessible to all -, the disciplinary sanctions set out below shall be applied against employees of the Company (non-managers) who engage in the following conduct:

a. Any direct or indirect retaliatory or discriminatory actions against the whistle-blower under paragraph 3.8 above for reasons directly or indirectly related to the report are prohibited;
b. Making, with intent or gross negligence, reports pursuant to paragraph 3.8 above that turn out to be unfounded

c. lacking, incomplete or untrue representation of the activities carried out with regard to the manner in which the documents relating to the procedures are documented, stored and monitored in such a way as to impair the transparency and verifiability thereof;
d. breach and/or circumvention of the control system by removing, destroying or altering the documentation of a procedure or by impeding the auditing of or access to the information or documentation by the persons in charge, including the Supervisory Body;
e. failure to comply with the provisions contained in the Model, including those set out in the Code of Ethics;
f. failure to comply with the provisions on signatory powers and the system of delegated powers, especially in relation to related risks, including those related to corporate offences (especially the provisions on matching), with regard to acts and documents towards the Public Administration and with regard to powers related to occupational health and safety;
g. failure to supervise the personnel operating within their sphere of responsibility in order to verify their behaviour in the areas at risk of offences and, in any case, in the performance of activities instrumental to operational processes at risk of offences;
h. breach of the obligation to attend training courses (including on health and safety) provided by the Company, without justification;
i. violation of internal company regulations and procedures requiring the adoption of safety and prevention measures;
j. violation of the obligation to report to the Supervisory Body any violation of the Model of which it has become aware.

Management Employees

Subject to the prior notification and the procedure required by Article 7 of Law No. 300 of 20 May 1970 ("Workers' Statute) - for the purposes of which this "disciplinary system" is also posted in a place accessible to all -, the disciplinary sanctions set out below shall be applied against employees of the Company (managers) who engage in **the conduct set out in points a) to j) of the preceding paragraph as well as** the following additional specific conduct:

k. engaging, in the performance of their duties, in conduct that does not conform to conduct reasonably expected of a manager, in relation to the role held and the degree of autonomy recognised;
l. breach of the obligation to report to the Supervisory Body any anomalies or failures to comply with the Model, as well as any criticalities of which the manager has become aware concerning the performance of activities in the areas at risk by the persons in charge thereof.

Company Directors

The sanctions set out below apply to directors who engage in the following conduct:

a. non-compliance with the Model or conduct that does not comply with the Model;
b. breach of duties of supervision and control over subordinates;
c. delay in taking measures following reports of violations of the Model received by the Supervisory Body.

Third parties

The measures set out below apply to third parties, i.e. all persons who have relations with the Company in any capacity whatsoever, other than employees and directors (by way of example, independent contractors, external consultants, commercial and/or financial partners, suppliers), who engage in the following conduct:

a. failure to comply with the Code of Ethics and the provisions of the Model applicable to them;

b. commission of relevant offences under Legislative Decree 231/2001.

9.4 FINDING OF VIOLATIONS AND APPLICATION OF SANCTIONS

Upon receiving notice of any violation of the Model that does not involve the Managing Director, the Supervisory Body shall inform the latter, who shall be required to initiate the relevant disciplinary proceedings, availing himself of the technical support of the competent corporate structures.

In the event that, following the checks and investigations carried out, a breach of the Model is found, the perpetrator(s) shall be subject to the sanctions provided for in the applicable national collective bargaining agreements by the Board of Directors or the Legal Department, in accordance with the disciplinary regulations and also in compliance with the guarantees provided for by the law and collective bargaining agreements.

Where violations of the Model are attributable to the Managing Director, the Supervisory Body shall inform the Board of Directors and the Board of Auditors for the adoption of the appropriate measures.

In the event of a breach of the Model by one or more of the Company's Directors, the Supervisory Body shall inform the Board of Directors and the Board of Statutory Auditors without delay. If the violation is committed by the Board of Directors as a whole or by several directors, the Supervisory Body shall promptly report it to the Board of Statutory Auditors.

In order to enable the monitoring of the application of disciplinary sanctions to employees, the Legal Department shall inform the Supervisory Body of the application of such sanctions.

9.5 SANCTIONS

Disciplinary action against employees

Disciplinary sanctions are applicable against employees (including managers) who have engaged in the above conduct in violation of the rules and principles set out in this Model, in accordance with:

- Article 7 of the Law of 30 May 1970 - Workers' Statute as amended and supplemented;
- the applicable articles of the Italian Civil Code (e.g. Article 2106 of the Italian Civil Code);
- any other applicable statutory provisions;
- the applicable National Collective Bargaining Agreement (CCNL).

In particular, the disciplinary sanctions that may be imposed in application of the criteria identified above are as follows:

- verbal reprimand: this sanction will be imposed in cases of minor breaches of the Model and the employee's obligations that has not produced consequences of external relevance;
- written warning: this sanction will be imposed in cases of
  - **(i)** recidivism in violations that led to the sanction of a verbal warning, provided that it was imposed in the two years preceding the recidivism;
  - **(ii)** minor breaches of the Model and of the employee's obligations which have caused damages to third parties;
- fine not exceeding three hours' hourly pay: this sanction will be imposed in cases of
  - **(i)** recidivism in violations that led to the sanction of a written warning,
  - **(ii)** non-serious failure to comply with the Model and the obligations placed on the employee;
- suspension from work without pay up to a maximum of three days: this sanction will be imposed in cases of
  - **(i)** recidivism in violations that resulted in the imposition of a fine, provided that it was imposed in the two years preceding the recidivism;
  - **(ii)** serious failure to comply with the Model and the obligations placed on the employee;
  - **(iii)** serious procedural violations capable of exposing the Company to liability towards third parties;

- dismissal with notice: this sanction will be imposed in cases of
  - **(i)** recidivism in the violations that led to the sanction of suspension, provided that it was imposed in the two years preceding the recidivism;
  - **(ii)** serious breach of the Model and of the employee's obligations in relation to proceedings in which the Public Administration is a party, serious failure to comply with a procedure aimed at preventing conduct constituting corporate offences;
- Dismissal without notice: this sanction will be imposed in cases of wilful violations of the Model and of the employee's obligations, such as, without limitation to,
  - **(i)** wilful violation of procedures involving third parties and/or fraudulent circumvention carried out through behaviour unequivocally aimed at committing an offence relevant under Legislative Decree 231/2001, such as to break the fiduciary relationship with the employer
  - **(ii)** wilful breach and/or circumvention of the control system by removing, destroying or altering the documentation of a procedure or by impeding the auditing of or access to the information or documentation by the persons in charge, including the Supervisory Body;
  - **(iii)** lacking, incomplete or untrue reporting of the activities carried out with regard to the manner in which the documents relating to the procedures are documented, stored and monitored in such a way as to wilfully impair the transparency and verifiability thereof;

The Legal Department is responsible for managing the formal and communication process relating to the imposition of sanctions under this Model.

The Legal Department reports to the Supervisory Body on the application of disciplinary sanctions issued. The Supervisory Body monitors the application of disciplinary sanctions.

Measures against Directors

Sanctions are applicable to directors who have engaged in the conduct referred to in the preceding paragraphs in breach of the rules and principles set out in this Model:

- written reprimand in the event of minor violations of the Model or of the obligations to supervise and control subordinates or of minor delays in adopting measures following reports of violations of the Model received by the Supervisory Body;
- revocation of the delegation and/or removal from office in the event of serious violations of the Model or of the obligations to supervise and control subordinates or of serious delay in taking measures following reports of violations of the Model received by the Supervisory Body.

Violations committed by directors may also give rise to liability action, in the cases provided for by law.

Violation of the Model by directors must be reported to the Supervisory Body without delay by the person who detects it. If the report is not manifestly unfounded, the Supervisory Body informs the Chairperson of the Board of Directors (if the report does not concern him) and the Board of Statutory Auditors. Once the necessary investigations have been carried out, the Board of Directors shall, after consulting the Board of Statutory Auditors, adopt the measures deemed appropriate.

Measures against third parties

The conduct referred to above on the part of third parties as identified above shall constitute a breach of contractual obligation with the Company and may give rise to termination of the contractual relationship as provided for in the individual agreements.

The breach must be reported without delay to the Managing Director of the Company and to the Supervisory Body by the person detecting it.

If the complaint is well-founded, the Managing Director shall give prompt instructions for the immediate termination of the contract, keeping the Supervisory Body informed.

Violation of the provisions of the Model by third parties entails the prohibition of new contractual relations with the Company, unless a justified exception is made and communicated by the Managing Director to the SB.