



OBJECT

# ORGANISATION, MANAGEMENT AND CONTROL MODEL

in accordance with the Legislative Decree 231/01 (\*)

DOCUMENT TITLE

## GENERAL PART 231.PG All.03

DOCUMENT DATE

20 April 2023



**STI Engineering S.r.l.**

Via Rodeano, 48  
33038 S. Daniele del Friuli (Ud) - Italy  
P.IVA 02118550306  
t. +39 0432 941303

[www.sti-corporate.com/engineering](http://www.sti-corporate.com/engineering)

Company subject to the Management and Coordination Activities of STI Corporate S.p.A.

ITALY  
OMAN  
MEXICO  
SLOVENIA  
SAUDI ARABIA  
ARGENTINA  
RUSSIA

**Company Data**

Business Entity	S.T.I. ENGINEERING S.R.L.
Registered and operational office	VIA RODEANO, 48 – 33038 SAN DANIELE DEL FRIULI (UD)
Local Units	ITALY <ul style="list-style-type: none"> <li>• Milano – via Benigno Crespi, 17-mac1 – 20159</li> <li>• Roma – via delle Arti 181- 00054 Fiumicino</li> <li>• Trieste – Via Karl Ludwig Von Bruck, 32 – 34144</li> <li>• Udine – Viale Giovanni Paolo II 3 - 33100</li> </ul> KAZAKHSTAN <ul style="list-style-type: none"> <li>• Almaty – Kazibek – BN 20° - 05001</li> </ul>

**TABLE OF DOCUMENT REVISIONS/UPDATES**

Rev.	Document Date	Description of modifications and updates
00	10/10/2019	First issue
01	20/04/2023	Update

(\*) Model developed pursuant to Legislative Decree no. 231 dd. 8 June 2001 "Discipline of the administrative liability of legal persons, organizations and associations even without legal personality, pursuant to art. 11 of Law 29 dd. September 2000, n. 300".

"Implementation of Article 1 of Law n. 123 dd. 3 August 2007, regarding the protection of health and safety in the workplace

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## 1. Foreword

Article 6 of Legislative Decree 231/01 stipulates that the models of organization and management can be adopted based on codes of conduct drafted by associations representing the entities and communicated to the Ministry of Justice.

Considering the above, S.T.I. ENGINEERING S.R.L., hereinafter referred to as the Company, in preparing this document, has considered the Guidelines developed by Confindustria on the subject.

It is understood that any divergences of the organizational model adopted by the Company with respect to certain specific indications in the Guidelines do not affect its fundamental correctness and validity. These Guidelines, in fact, have a general nature, whereas the Model must be prepared with reference to the concrete reality of the Company.

This document, including every part, section, and attachment, as well as any other document expressly referred to herein, represents the Model of Organization, Management, and Control adopted in accordance with Article 6 of Legislative Decree of June 8, 2001, No. 231 (hereinafter "Decree 231") by the Company.

The model constitutes the set of principles, organizational safeguards, decision-making protocols, procedures, control mechanisms, and any other measures adopted by the Company to prevent the commission of crimes and relevant offenses for administrative liability resulting from the application of the principles and rules of Decree 231. Particular attention is given to those crimes and offenses that, given the nature of the Company's activities and the products/services provided, as well as the operating and organizational methods adopted, present a higher level of risk.

The decision to establish an organization, management, and control model is part of a broader strategic plan that sees management control and control of operational, legal, and reputational risks as fundamental pillars of the Company's business model. This reflects the importance that the Company places on legality and ethics in its business dealings.

In this regard, the Company has long adopted a comprehensive system of controls, organizational safeguards, and decision-making protocols aimed at directing the conduct of employees and collaborators toward full compliance with current laws and internal regulations.

This set of rules and safeguards is overseen by the Code of Ethics, which identifies the fundamental ethical values that all Company personnel are required to uphold in carrying out their activities. This Code is an integral part of this Model. The Company's adoption of the Model serves two main purposes. On one hand, it constitutes a structured and systematic set of various measures through which the Company strives to prevent and counter the commission of crimes and administrative offenses by those who act on behalf of the Company. On the other hand, it aims to meet the requirements of Articles 6 and 7 of Decree 231 so that the Company can be exempt from administrative liability if an individual linked in an organic relationship violates the Model itself by committing a crime

or administrative offense among those relevant to the administrative liability of entities under Decree 231.

Furthermore, following the amendment of Article 2086 of the Civil Code by the issuance of the Business Crisis and Insolvency Code, the Company intends to adopt the Organizational Model to fulfil the obligation to establish an effective and efficient accounting and administrative organizational structure for the timely detection of the state of crisis and the assumption of appropriate initiatives. In this regard, it is noted that the state of corporate crisis is often associated with the commission of some of the predicate offenses listed in Legislative Decree 231/2001. Therefore, the procedures and control measures of the Management and Control Organizational Model can also be used to anticipate signs of a potential corporate crisis.

The model has been developed based on a careful risk mapping that is constantly updated to take into account any changes in the regulatory framework and the operational and organizational methods for the production and provision of products and services and Company activities that may lead to the emergence of new areas of risk or an increase in the level of existing risk, thereby requiring the model's updating and/or integration.

The recipients of the Model include the Company's corporate bodies (Directors and Auditors), employees, agents, proxies, suppliers, agents, and other parties with whom the Company comes into contact in the course of business relationships.

## 2. Definitions

In this document and its related attachments, including Special Parts and Procedures, recurring expressions are used, which are defined in the attached Glossary.

## 3. The Legal Framework Provided by Legislative Decree 231/01

### 3.1. Administrative Liability of Entities

Following a process initiated by the European Union, with the approval of Legislative Decree No. 231 of June 8, 2001, Italy also introduced administrative liability for entities, whether they are legal persons, companies, or associations, arising from the commission of criminal offenses.

The Decree's regulations came into effect on July 4, 2001, introducing in Italy, for the first time, a special form of entity liability for certain offenses committed in the interest or to the advantage of the entity by its own personnel (top management, employees, etc.). This liability, which does not apply if the actors of the offense act solely in their own or third parties' exclusive interest, does not replace that of the natural person who committed the illegal act but adds to it.

According to the Article 5 of the decree, actions of criminal relevance must be carried out by:

- a) persons holding functions of representation, administration, or management of the entity or one of its organizational units with its financial and functional autonomy, as well as by persons who, even in fact, exercise management and control over it (these subjects are called "apical").
- b) persons under the direction or supervision of one of the subjects indicated in the previous letter a).

The new liability regime, therefore, involves the punishment of certain criminal offenses and the assets of entities that have gained an advantage from the commission of these offenses. In fact, in case of wrongdoing, the application of a pecuniary sanction is always foreseen, and for more serious cases, additional severe measures such as suspension or revocation of concessions and licenses, disqualification from carrying out an activity, prohibition of contracting with the Public Administration, exclusion or revocation of funding and contributions, prohibition of advertising goods and services, up to the appointment of a commissioner for the company, are also foreseen.

Entities may be held responsible only in relation to certain crimes, referred to as predicate offenses (hereinafter simply referred to as Crimes), identified by the Decree and by laws that expressly refer to the Decree's regulations. Over time, the list of Crimes has been supplemented and modified by subsequent legislative provisions. The updated list is included in the "List of Predicate Offenses" attachment and can be summarized in the following types of offenses:

1. Crimes committed in relations with the Public Administration (Article 24, 25 Legislative Decree 231/01)
2. Computer crimes and unlawful data processing (Article 24-bis, Legislative Decree 231/01)
3. Organized crime offenses (Article 24-ter, Legislative Decree 231/01)
4. Forgery of currency, public credit instruments, revenue stamps, and identifying marks (Article 25-bis, Legislative Decree 231/01)
5. Crimes against industry and commerce (Article 25-bis.1, Legislative Decree 231/01)
6. Corporate crimes (Article 25-ter, Legislative Decree 231/01)
7. Offenses with the purpose of terrorism or subversion of the democratic order as provided by the Penal Code and special laws (Article 25-quater, Legislative Decree 231/01)
8. Market abuse crimes (art. 25-sexies, Legislative Decree 231/01)
9. Practices of mutilation of female genital organs (art. 25-quater.1, Legislative Decree 231/01)
10. Crimes against the individual personality (art. 25-quinquies, Legislative Decree 231/01)
11. Crimes of involuntary manslaughter and serious or very serious negligent injury, with violation of regulations on health and safety at work (art. 25-septies, Legislative Decree 231/01)
12. Receiving, laundering, and using money, goods or benefits of illicit origin (art. 25-octies, Legislative Decree 231/01)

13. Crimes relating to infringement of copyright (art. 25-novies, Legislative Decree 231/01)
14. Inducement not to make statements or to make false statements to the judicial authority (Article 25-decies, Legislative Decree 231/01)
15. Environmental offenses (Article 25-undecies, Legislative Decree 231/01)
16. Transnational offenses (Law of March 16, 2006, No. 146, Articles 3 and 10)
17. Employment of third-country nationals with irregular residence (Article 25-duodecies, Legislative Decree 231/01)
18. Racism and Xenophobia (Article 25-terdecies, Legislative Decree 231/01)
19. Fraud in sports competitions (Article 25-quaterdecies, Legislative Decree 231/01)
20. Tax crimes (art.25-quinquiesdecies, Legislative Decree 231/01)
21. Smuggling (art.25-sexiesdecies, Legislative Decree 231/01)

It is not necessarily the case, however, that the organization must always and in any case be held accountable for the commission of the offense. It has been deemed appropriate to allow the organization to proactively demonstrate its non-involvement in the offense. To this end, the adoption of behaviour models specifically calibrated to the risk of the offense is requested, aimed at preventing the commission of offenses through the establishment of conduct rules.

A crucial requirement for the exemption of the organization from liability resulting from the adoption of the model is that it is effectively implemented. In other words, the specific culpability of the organization will be established when the offense committed by one of its organs or subordinates falls within a business decision, or when it is a consequence of the fact that the organization itself has not implemented a suitable organizational model to prevent offenses of the type that occurred, or when there has been a lack of or insufficient supervision in this regard by the bodies with control powers.

In this perspective, Article 6 of the Decree establishes that the organization is not held responsible for the offense if it can demonstrate that it has adopted and effectively implemented, before the commission of the act, "organization and management models suitable for preventing offenses of the type that occurred."

The same provision also envisions the establishment of an "internal supervisory body within the organization" with the task of overseeing the functioning, effectiveness, and compliance with the model, as well as ensuring its updates.

### **3.2. The Role of Organizational Models**

As seen in the previous section, the adoption of an Organizational Model is a requirement for the organization to be exempt from liability in case its top personnel commit an offense. For this exemption to be applied, the organization must prove that:

1. The governing body of the organization has adopted and effectively implemented, before the commission of the offense, an organization and management model suitable for preventing offenses of the same type as the one that occurred.
2. The task of overseeing the functioning and compliance with the model and managing updates has been entrusted to an entity's body with autonomous powers of initiative and control (Supervisory Body), which in small organizations can coincide with the governing body itself.
3. There has been no omission or insufficient supervision by the Supervisory Body regarding the model.
4. The individuals committed the offense fraudulently evading the model.

However, if the offense has been committed by individuals subject to the direction or supervision of top personnel, the organization will be responsible for the offense only if there has been a deficiency in the duties of direction and supervision. This deficiency can be excluded if the organization has adopted, before the commission of the offense, an organization, management, and control model suitable for preventing offenses of the same type as the one that occurred. Within this regulatory framework, organization models, for the purpose of preventing offenses, must:

- Identify activities at risk of offense.
- Include specific procedures for preventing offenses.
- Define, for the prevention of offenses, the methods for managing financial resources.
- Enforce obligations to inform the body responsible for monitoring compliance with the models.
- Introduce an internal disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model.

### **3.3. Territorial Scope of Application of the Decree**

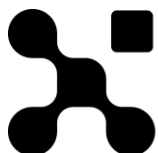
The Decree also provides that the organization may be held accountable in Italy for offenses - relevant for the Decree - committed abroad (Article 4 of the Decree) if the following conditions are met:

- The state where the offense was committed does not take action against the organization.
- The organization has its main office in the territory of the Italian State.
- The offense is committed abroad by an individual functionally linked to the organization.
- The procedural conditions specified in Articles 7, 8, 9, 10 of the Italian Criminal Code are met.

### **3.4. Regulations in Case of Changes to the Organization**

The Decree regulates the liability of the organization in cases of organizational changes, such as transformation, merger, division, and business transfer. The fundamental principle governing the entire matter of organization liability states that "only the organization is liable for the obligation to pay a pecuniary





penalty, imposed on the organization, using its assets or a common fund”.

Pecuniary penalties imposed on the organization are subject to the principles of civil laws regarding the responsibility of the transformed organization for the debts of the original organization. As for interdiction penalties, it is established that they remain the responsibility of the organization where the business activity in which the offense was committed has remained (or merged) unless the transformed organization has the option to convert the interdiction penalty into a pecuniary penalty.

The Decree establishes the rule that in the case of a "transformation of the organization, the responsibility for offenses committed before the transformation takes effect remains intact."

In cases of mergers and/or divisions, the Decree stipulates that the organization resulting from the merger, even through incorporation, "is responsible for the offenses for which the participating organizations in the merger were responsible." Thus, the responsibility is transferred to the organization resulting from the merger in legal relations, but if the merger occurred before the completion of the assessment of the organization's responsibility, the judge must consider the economic conditions of the original organization, not those of the organization resulting from the merger.

Collective organizations that benefit from a division operation and receive the assets (in whole or in part) of the divided company are jointly obligated to pay pecuniary penalties owed by the divided organization for offenses committed prior to the division. This obligation is limited to the value of the transferred assets.

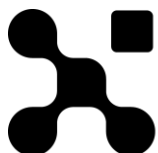
In the case of a business transfer and/or a business contribution in which the offense was committed, the transferee is jointly liable with the transferor to pay the pecuniary penalty, limited to the value of the transferred business, and subject to the benefit of prior recourse against the transferor.

The liability of the transferee - besides being limited to the value of the transferred business - is also limited to pecuniary penalties recorded in the mandatory accounting books or penalties for administrative offenses of which the transferee was aware.

### 3.5. Sanctions against the Organization

The sanctions imposed on the organization as a result of the commission or attempted commission of the prerequisite offenses can be summarized in the following table:

#	TYPE OF SANCTIONS	
1	FINANCIAL SANCTIONS	
	Entity	From €25,800.00 to €1,549,000.00, according to a system of shares of variable number and amount (the minimum value of the shares is €258.00, the maximum value of €1,549.00).



	Criteria	The number and amount of the shares is determined taking into account the seriousness of the fact, the degree of responsibility of the entity, the activity carried out to eliminate or mitigate the consequences of the fact or to prevent further crimes, and the conditions of the organization.
	To cut them by half it is necessary to	Fully compensate the damage and eliminate the harmful or dangerous consequences of the crime, or otherwise operate effectively in this sense. Adopt and make operational an ORGANIZATIONAL MODEL suitable for preventing crimes of the type that occurred (it must take place before the opening declaration of the first-degree hearing).
2	INTEREDICTORY SANCTIONS	
	Entity	For offenses of corruption committed by top executives, the penalties range from 3 months to 2 years, while for offenses committed by senior executives, the penalties range from 4 to 7 years.
	Criteria	These penalties are applied in addition to pecuniary (monetary) penalties only for specific offenses in cases where the organization has gained a significant profit, and the offense was committed by top executives, by subordinates due to serious organizational deficiencies, or if the offense is repeated.
	Typology	The interdictory sanctions include: <ul style="list-style-type: none"> <li>• Disqualification from conducting the business activity.</li> <li>• Suspension or revocation of authorizations, licenses, or concessions related to the commission of the offense.</li> <li>• Prohibition from contracting with the Public Administration.</li> <li>• Exclusion from benefits, funding, contributions, and subsidies, including the revocation of those already granted.</li> <li>• Prohibition from advertising goods and services.</li> </ul>
	Application	These sanctions can be applied as precautionary measures during legal proceedings.
	Consequences	These sanctions may hinder the organization's operations until senior management is removed, and the organization is placed under administration.
	To avoid them it is necessary to	<ul style="list-style-type: none"> <li>• Fully compensate for the damage and eliminate the harmful or dangerous consequences of the offense or take effective action in this regard.</li> <li>• Adopt and implement an organizational model suitable for preventing offenses of the same type as the one that occurred (this must occur before the declaration of the start of the first-degree trial).</li> </ul>



3	CONFISCATION OF THE PRICE OR PROFIT of the offense, except for the portion that can be returned to the victim.
4	PUBLICATION OF THE CONVICTION JUDGMENT in one or more newspapers and posting in the municipality where the organization has its main office, at the expense of the organization.

As evident from the table, a base penalty is identified, which is inherently defined by the principle of correspondence between the harm caused and the harm suffered, thereby preventing any illicit activity from being advantageous for the organization. To the base penalty, a multiplying factor is applied based on the level of the organization's culpability, and a reduction factor is applied based on the level of preventive measures implemented by the organization (compliance programs).

### 3.6. Procedure for Determining the Offense

The responsibility for administrative wrongdoing resulting from a criminal offense is determined within the context of a criminal procedure. The proceedings against the organization should, as much as possible, remain connected to the criminal proceedings initiated against the individual who committed the underlying offense for which the organization is held responsible. The determination of the organization's liability, which falls under the jurisdiction of the criminal judge, is carried out through:

- Verification of the underlying offense.
- Determining the existence of the organization's interest or benefit in the commission of the offense by a top executive or an employee.
- Evaluation of the adequacy of the implemented organizational model.

From the last point, it can be inferred that, unlike other management models (quality, safety, environment, etc.), the organizational model as per Legislative Decree 231/2001 will be one of the documents examined during the criminal proceedings.

## 4. Company Presentation and Policy

### 4.1. Company Evolution and Context

STI ENGINEERING S.R.L. is a company that was founded in Italy in 1990 and has grown globally, offering design and consulting services in the fields of civil construction and industrial plants. These sectors, although profoundly different in culture and objectives, can be addressed through the company's cross-cutting technical expertise.

In the Civil & Infrastructure sector, STI ENGINEERING S.R.L. has developed solutions for residential, healthcare, hospitality, commercial, transportation, business, public, and sports facilities. In the Industrial

sector, the company has developed solutions for the food and beverage, chemical, oil and gas, manufacturing, naval, mechanical engineering, logistics, and paper industries.

The target market is global. Over the years, several local units have been established abroad and in Italy to ensure effective service, the necessary presence with clients, and in productive districts of interest to the company and the market. For instance, the opening of the local unit in Trieste is intended to meet the specific needs of the naval sector.

The company has local units in Italy and one in Kazakhstan and collaborates with the overseas offices of the parent company.

The company is certified UNI EN ISO 9001:2015 for providing design services, instrumental verifications, construction management, and technical consulting in the field of civil engineering, technological installations, and Oil & Gas.

#### 4.2. Company Governance

The governance structure of S.T.I. ENGINEERING S.R.L. includes the following bodies:

- Sole Shareholder represented by S.T.I. Corporate Spa.
- Board of Directors composed of 4 members.
- Special Proxy.

The company is under the direction and control of S.T.I. Corporate SPA.

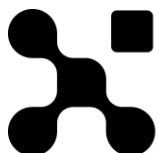
##### 4.2.1. Shareholders' Meeting

Shareholders, when assembled in a meeting, decide on matters within their competence as determined by law, the bylaws, and topics that one or more administrators or shareholders submit for their approval.

In any case, shareholders have authority over matters as provided in Article 2479 of the Italian Civil Code. Their competencies are legally limited to decisions of significant importance in the company's life, excluding management competencies held by the administrative body. All decisions by shareholders must be made in the form of a meeting.

The meeting can be convened outside the company's registered office, provided it is within the national territory, as specified in the notice of convocation.

Authorized participants in the assembly include all members who are listed in the membership book on the date set for the meeting (or their delegates), as well as members of the administrative body and the supervisory board if applicable. The assembly is presided over by the Chairman of the Board of Directors.



The assembly must be convened at least once a year for the approval of the financial statements, within 120 days from the end of the fiscal year, or within 180 days when specific structural and business needs require it.

The assembly is also convened for decisions within its jurisdiction as deemed appropriate by the Administrative Body. Resolutions of the Assembly, in compliance with the law and the Statutory provisions of the Company, bind all members, even those who did not participate or dissent.

The convocation must be made through a registered letter sent at least 8 days before the meeting. Any member entitled to attend the assembly can be represented, even by a non-member, by written proxy, including a simple letter, within the limits provided by Article 2372 of the Italian Civil Code.

The company's composition is currently made up of natural persons. The methods of convocation and voting are indicated in the company's statute.

#### 4.2.2. Administrative Body

According to the statute, the possible forms of administration of the company are the Board of Directors or the sole administrator. At present, the company is governed by a Board of Directors composed of the Chairman, a Proxy, and three Directors. The administrative body, in terms of form and composition, is appointed by the assembly. If not defined by the assembly, the Chairman, the Vice-Chairman, and the managing directors of a potential board of directors are elected among their members by the same Board of Directors. The administrative body also has the power to appoint general managers and special proxies, specifying their powers and remuneration. The Administrative Body is invested with the broadest powers for the ordinary and extraordinary management of the company, with any modalities established by the assembly, without any limitations, with the authority to carry out all acts deemed appropriate for the implementation and achievement of corporate purposes, except for those reserved for the Shareholders' Assembly.

#### 4.2.3 Proxies

The proxy is entrusted with:

- Supervision of projects (public and private), project validation, assignment of tasks, and any other powers identified in the current notarial proxy.

#### 4.2.3. Legal Auditor

In order to comply with Legislative Decree 14/2019 (Code of Business Crisis and Insolvency) and strengthen control measures related to the company's administrative and accounting activities and all other business processes, S.T.I. ENGINEERING S.R.L. is appointing a legal auditor to conduct risk analysis, internal control system verification, examination of the company's accounting

documents, and the preparation of an audit report. When appointed, the auditor's activities will also complement and support the verification activities carried out by the Supervisory Body.

#### 4.3. Financial Statements and Profits

The fiscal year ends on June 30 of each year. The Administrative Body is responsible for preparing the financial statements within the legal deadlines and compliance with legal provisions.

Only actual profits resulting from the regularly approved financial statements can be distributed. If there is a loss of share capital, profits cannot be distributed until the capital is either replenished or reduced proportionally. The distribution of profit advances is not allowed.

## 5. Model, Code of Ethics, and Conduct Guidelines adopted by S.T.I. ENGINEERING S.R.L.

### 5.1. Introduction

The Model (consisting of the General Part and Special Parts) and the Code of Ethics are two complementary and integrated tools, including:

1. The Code of Ethics was autonomously adopted by S.T.I. ENGINEERING S.R.L. to communicate to all stakeholders the corporate ethical principles the Company intends to adhere to and is made publicly available on the company's website.
2. The Model, on the other hand, specifically addresses the legal requirements and aims to prevent specific types of risks/offenses as defined by the decree.
3. The Special Parts contain a collection of the most important guiding principles and specific provisions intended for all individuals (customers, suppliers, professionals, agents) who act on behalf of the Company in various capacities.

### 5.2. S.T.I. ENGINEERING S.R.L.'s Motivations for Adopting the Organization and Management Model

The Company considered it necessary to adopt an "Organization, Management, and Control Model" in line with the requirements of the decree, given that the company operates in the global market, with offices and partners abroad and customers operating in less regulated countries.

Already having a certified management system and other tools for tracking business flows, the Company sought to complete its Model concerning the objective of preventing crimes under Article 231, something that management systems and other tools alone cannot guarantee.

S.T.I. ENGINEERING S.R.L. believes that the adoption of this Model, along with the simultaneous introduction of the Code of Ethics, constitutes a valuable tool for raising awareness among all employees of



the Company and all other parties involved (Customers, Suppliers, Partners, etc., collectively referred to as the Addressees) so that they follow correct and transparent behaviour in line with the ethical and social values the Company adheres to in pursuit of its corporate purpose and to prevent the risk of committing the crimes contemplated by the decree. For the preparation of this Model, the Company analysed its areas of risk, taking into account the decree's provisions and Confindustria's guidelines.

### 5.3. Purpose of the Model

The Model prepared by S.T.I. ENGINEERING S.R.L. is based on the implementation of a system of organizational, operational, and control procedures that essentially identify areas and processes with potential risks in the company's activities, particularly those involving a risk of committing an offense under the decree. It defines an internal regulatory system aimed at planning the formation and implementation of the company's decisions regarding the risks/offenses to be prevented through:

- i. A regulatory system consisting of a Code of Ethics, which sets general guidelines, and formalized procedures that detail how to make and implement decisions in "sensitive" areas.
- ii. A system of delegations and corporate powers that ensures a clear and transparent representation of the corporate process of decision-making.
- iii. A set of coherent organizational structures designed to inspire and monitor correct behaviour, ensuring clear and organic assignment of tasks, applying a proper segregation of functions, ensuring that the organizational structures stipulated are effectively implemented.

The procedures also identify financial resource management processes in activities that are potentially at risk of criminal activities. They assign specific control tasks to a Monitoring Body for the effectiveness and proper operation of the Model, its consistency with the objectives, and periodic updates.

The objectives of the Model are to:

- i. Prevent and reasonably limit possible risks associated with corporate activities, with particular regard to reducing any illegal conduct.
- ii. Make all those who work on behalf of S.T.I. ENGINEERING S.R.L. in high-risk areas aware that, in case of violations of the provisions in the Model, they may be subject to criminal and administrative sanctions, not only against them but also against the Company.
- iii. emphasize that S.T.I. ENGINEERING S.R.L. does not tolerate illegal behaviour of any kind, regardless of the purpose, as such behaviour not only violates existing laws but is also contrary to the ethical and social principles that the Company intends to adhere to.

With the entry into force of the Code of Business Crisis and Insolvency (Legislative Decree 14/2019), which has amended Article 2086, second paragraph, of the Italian Civil Code, requiring entrepreneurs to establish an organizational, accounting, and administrative structure capable of intercepting signs of a business crisis, the measures and procedures outlined in this Model represent an ideal tool for the self-control purposes mandated by the law. Furthermore, the effectiveness and efficacy of the Model in business management can also be an important defensive element for administrators who may be called upon to account for their management actions to shareholders, creditors, and judicial authorities.

With the entry into force of the New Public Procurement Code (Legislative Decree 36/2023), the legislator has emphasized the requirements of reliability and transparency for participating companies. Therefore, companies can use this Model, the Code of Ethics, and the attached sanctioning system as evidence of the subjective requirements of the company, even in cases of exclusion from the procurement process (the principle of the so-called "self-cleaning").

#### 5.4. Structure of the Model

The Model consists of a "General Part" and individual "Special Parts" divided by high-risk business processes. The Special Parts are kept separate from the general model to facilitate future updates, which can apply to either the general part or specific special parts.

Specifically, the special parts only address offenses that, according to the risk assessment conducted by the Company, present a medium to high risk of being committed, and namely:

<b>Violation family</b>	<b>Potential Risk Level</b>
Offenses committed in relation to Public Administration (Article 24, 25 of Legislative Decree 231/01)	HIGH
Copyright infringement offenses (Article 25-novies, Legislative Decree 231/01)	HIGH
Tax offenses (Article 25-quinquiesdecies)	HIGH
Corporate offenses (Article 25-ter, Legislative Decree 231/01)	MEDIUM
Manslaughter and serious or very serious culpable injuries, with violations of health and safety at work regulations (Article 25-septies, Legislative Decree 231/01)	MEDIUM
Receipt of stolen property, money laundering, and the use of assets or benefits of illicit origin (Article 25-octies, Legislative Decree 231/01)	MEDIUM
Inducing to not make statements or to make false statements to the Judicial Authority (Article 25-decies, Legislative Decree 231/01)	MEDIUM
Environmental offenses (Article 25-undecies, Legislative Decree 231/01)	MEDIUM



On the contrary, those crimes or entire families of crimes which, in consideration of the company's characteristics and the specific scope of operations of S.T.I. ENGINEERING S.R.L., present a low risk of commission, evaluated according to a probabilistic criterion, are not expressly considered in the special sections of the Model but are generally managed by general provisions of the Code of Ethics.

The Model has been structured in this way to ensure a more effective and streamlined update of itself. In fact, the 'General Part' contains the formulation of legal principles, and the various 'Special Parts' analyse individual processes with respect to the specific criminal offenses provided by the regulations that are subject to constant updates.

Furthermore, legislative developments – such as a possible extension of the types of crimes that, as a result of other regulations, may be included or otherwise connected to the scope of the decree's application – may require the integration of the Model with additional 'Special Parts' or the integration of existing special parts with additional crimes and preventive measures.

In view of the above, the Supervisory Body will provide similar updates to both the General Part, in accordance with new regulatory provisions, and the individual 'Special Parts,' also by adding new 'Special Parts.'

The administrative body is responsible for any updates or integrations to the Model in a subsequent phase, through a specific resolution, with additional or revised Special Parts related to processes and crimes that may become practically achievable in the Company in the future, as a result of changes in the company's activities or further regulations included or linked within the scope of the Decree.

The Model is then complemented with the referenced and relevant documents of the Company, which constitute an integral and substantial part, with cross-references.

## 5.5. Construction and Update Phases of the Model

The work of creating/updating the Organizational Model consists of several phases, based on the fundamental principles of documentation and verifiability of all activities, in order to enable the understanding and reconstruction of what has been accomplished, as well as compliance with the dictates of Legislative Decree 231/2001.

### 5.5.1. Phase 1: Collection and analysis of documentation

In the creation and for each update of the Organizational Model, the following reference documents must always be considered (exemplified list):

- Company Articles of Association and Bylaws.

- Updated Company Report by the Chamber of Commerce.
- Delegations and powers granted to administrators and third parties.
- Operating regulations and formalized procedures, with particular attention to documents regulating the relationships within the Company (especially concerning the ISO 9001 quality management system).
- Minutes of Shareholders' meetings.
- Latest approved financial statements.
- Organizational chart and job descriptions.
- Workplace safety control system.
- Any proceedings against the Company.

These documents have been examined in order to create an informational platform about the Company's structure and operations, as well as the distribution of powers and competencies. They can be supplemented by interviews and on-site analyses to acquire further knowledge about the reality.

#### 5.5.2. Phase 2: Activity mapping and identification of applicable crimes

The previous phase allows cataloguing all company processes, with a particular focus on activities sensitive to the Decree. Each phase is mapped to verify the distribution of responsibilities within the organization and analyse the presence of internal control mechanisms (presence of formalized procedures, existence of delegations, existence of controls, etc.). Concurrently, based on the company's activities, applicable crimes are identified in practice, excluding those where the probability of occurrence is negligible and/or there are no concrete prerequisites for the Company's interest or advantage.

The results of the examination of sensitive areas are outlined in the 'BUSINESS PROCESS MAPPING,' and in the 'LIST OF APPLICABLE CRIMES,' particularly identifying applicable crimes in contrast to those not applicable to the organization.

#### 5.5.3. Phase 3: Risk assessment

For each sensitive business process, a risk mapping is created or 'RISK MAPPING FOR PROCESS 231,' which, after identifying the process, determines:

- The applicability of the presumed crimes to the specific process: in this sense, each crime is classified in relation to the possibility of its occurrence. In abstract terms, it is unlikely that a crime cannot actually be committed within the organization. For the applicability evaluation, those that can actually be committed in the company (Applicability=YES) are distinguished

from those with a low probability or no predictable correlation with the Company's interest or advantage (Applicability=NO). Among the applicable ones, an additional level of probability is evaluated, determined based on the significance of the crime for the company (low, medium, and high), which is inferred from the company's processes, the technical-organizational-administrative skills possessed by the personnel, and the IT tools, machinery, and equipment used.

- The commission methods of crimes: how crimes, with respect to identified sensitive activities, could be committed.
- The activities of the individual process that could be linked to the commission of the crime.
- The impact on the company resulting from the commission of the crime, measured in terms of pecuniary penalties and interdictive sanctions.
- The crime risk level: determined based on the impact, the assessment of the crime's significance for the company, and the implementation of measures to reduce the risk (existence of procedures, procedure updates, delegation, knowledge and communication, segregation of duties, controls).

#### PARAMETERS FOR RISK CALCULATION

Offence Significance		0,5	0,8	1
Probability	1	2	3	4
Impact	1	2	3	4

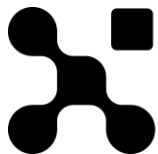
#### RISK VALUES

1	2	3	4
5	6	7	8
9	10	12	13
16			

The mapping is carried out in accordance with the Confindustria Guidelines, to which the Model conceptually conforms. Based on the observations made in the above-described analysis activity and its findings, the prevention procedures, i.e., operational instructions that must be implemented to prevent the commission of crimes, have been and will continue to be identified.

#### 5.5.4. Phase 4: Definition of Special Parts and Procedures

For each process for which activities at risk have been identified, one or more Special Part(s) are created, specifying:



- General principles applicable to the process: i.e., general prescriptions to be observed by all those involved and for all sensitive activities.
- Specific protocols applicable to the process: these are special provisions that govern the various at-risk activities/sensitive processes. Each provision must be defined, assigned to specific functions, documented to ensure internal control. If there are regulations governing a particular activity, there is an appropriate reference.
- Monitoring provided by the Supervisory Body: these represent the general principles of control by the Supervisory Body over the individual process.

Each Procedure must be developed following the following basic principles:

- Segregation of duties: the distribution of responsibilities must be preventive and balanced, and adequate authorization levels must be provided to prevent the mixing of potentially incompatible roles or excessive concentrations of responsibilities and powers in the hands of individual individuals. In particular, the separation of activities and responsibilities between those who authorize, those who execute, and those who control a specific operation in sensitive activities must be ensured.
- Rules: company regulations and/or formalized procedures must provide behavioural principles, operational methods for carrying out sensitive activities, as well as methods for archiving relevant documentation.
- Authorization and signature powers: the authorization and signature powers must be:
  - a) consistent with the organizational and management responsibilities assigned, providing, where required, indication of the expense approval thresholds.
  - b) clearly defined and known within the Company.
- Traceability:
  - a) any operation relating sensitive activities must be, where possible, adequately recorded.
  - b) the decision-making, authorization and carrying out process of the sensitive activity must be verifiable ex post, also through specific documentary support.
  - c) in any case, the possibility of deleting or destroying the recordings made must be regulated in detail.

Furthermore, the following is necessary:

- Update the Procedures in case of organizational changes or established ineffectiveness or

the introduction of new predicate offenses.

- Make the Procedures known to the recipients through training and information meetings.

The Procedures must be formally adopted through an order of service addressed to the relevant operating units, thereby making the conduct rules contained therein official and mandatory for all those engaged in activities within which a risk has been identified. To facilitate the availability and consultation of the parts comprising the Model, an ATTACHED DOCUMENTATION LIST is included in this document, listing all the parts constituting the model, including this one.

#### **5.6. Responsibilities for the approval, adoption, and implementation of the Model**

Pursuant to Article 6, paragraph 1, letter a) of the Decree, the adoption and effective implementation of the Model constitute acts within the competence and authority of the corporate executive leadership. The administrative body, therefore, has the responsibility and the power to approve, integrate, and modify, through a specific resolution, the fundamental principles outlined in this document and its attachments, which are an integral, albeit preliminary, part of the Model adopted by the Company. Consequently, decisions regarding subsequent modifications and integrations of the Model are also the responsibility of the administrative body of the Company, albeit upon the initiative of the Supervisory Body, as detailed in the following chapters.

Modifications to individual protocols (procedures, behavioural codes, regulations, etc.) may be approved by the administrative body and/or by the subjects and functions delegated in accordance with the current power system.

The administrative body is responsible for initiating and taking action to implement the Model by evaluating and approving the necessary actions for the implementation of its fundamental elements. To identify these actions, it will seek the support and guidance of the Supervisory Body.

The administrative body must also ensure the implementation and effective compliance with the protocols in sensitive business areas (or "at risk of an offense"), even with regard to future adaptation needs. To this end, the administrative body makes use of:

- Function heads regarding the Sensitive Activities they perform.
- The Shareholders' Assembly, which has independent powers of initiative and control over the implementation of the Model.

#### **5.7. Modifications and integrations of the Model**

As the present Model is an act of issuance by the management body, subsequent substantial modifications and integrations fall under the competence of the administrative body of S.T.I. ENGINEERING S.R.L., supported by the Shareholders' Assembly, as mentioned earlier.

Substantial modifications include, for example:

- The addition of additional Special Parts.
- The deletion of certain parts of the Model.
- Changes to the duties of the Supervisory Body.
- The identification of a Supervisory Body different from the one currently provided.
- Updating the Model following the reorganization of the company structure.
- Updating the Model following regulatory changes, especially Legislative Decree 231/01.

The administrative body is recognized the authority to implement to this Model:

- Specific modifications or additions to this document, including those related to proposals made by the Shareholders' Assembly regarding its role in control, such as
  - Expanding the areas of sensitive activities in the Special Parts of the Model already approved by the administrative body and defining appropriate operational measures.
  - Changes to the list of information concerning official acts that must be transmitted to the Supervisory Body or the Shareholders' Assembly.
- Formal modifications, such as those resulting from the change of the names of company functions or the consolidation or separation of procedures within the Model, while keeping the substance unchanged.

### **5.8. Model Recipients**

The subjects to whom the Model's prescriptions apply are:

- Administrators and all corporate bodies.
- Function Heads.
- All employees of the Company, Collaborators, Consultants, and attorneys, whether employees or not, as individuals subject to the direction of others.
- The Supervisory Body.

All recipients must adhere to the provisions of the Model and the Code of Ethics, as well as the current laws and regulations.

Top-level individuals are particularly responsible for:

- Ensuring information, training, and awareness of subordinates in the performance of their duties.
- Respecting the principle of transparency in making all corporate decisions.

- Exercising control and supervision functions over subordinates. This form of control is especially significant for those who work with Public Entities, Authorities, and individuals performing public services.
- Ensuring full respect for individual rights.
- Assessing the possibility of terminating contracts with third parties when they become aware of behaviours or proceedings that fall under the scope of Legislative Decree 231/2001.

The Company will not initiate any business relationships with third parties who do not intend to adhere to the principles of the Code of Ethics, nor will it continue such relationships with those who violate these principles. Therefore, employees responsible for business functions who enter and manage business relationships with these third parties are obliged to inform them of the adoption of the Code of Ethics and ensure that the principles contained therein are accepted and applied.

## 6. Identification of the Supervisory Body

In compliance with Article 6, letter b, of the decree, the Supervisory Body – tasked with overseeing the functioning and compliance with the Model and ensuring its updates – has been identified within S.T.I. ENGINEERING S.R.L. as indicated in the company's organizational chart. These individuals have been considered the most suitable subjects, given their diverse expertise and roles, for performing the required activities, in accordance with the criteria of autonomy, independence, professionalism, competence, and necessary continuity of action.

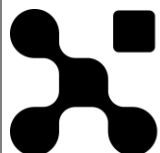
### 6.1. Function and Powers of the Supervisory Body

The Supervisory Body is responsible for:

- Monitoring the effectiveness of the Model, ensuring that behaviours within the company correspond to the organizational, management, and control Model provided.
- Verifying the effectiveness of the Model, ensuring that the model in place is genuinely suitable for preventing offenses.
- Proposing Model updates to adapt to environmental changes and changes in the corporate structure.

On a more operational level, the Supervisory Body is responsible for:

- Periodically checking the map of risk areas to adapt to changes in activity and/or corporate structure. To this end, all situations that may expose the company to the risk of an offense must be reported to the Supervisory Body by the management and by those involved in control activities within individual functions. All communications must be in writing.
- Periodically conducting inspections to verify compliance with the Model, particularly to verify that the



procedures and controls outlined in the Model are effectively and correctly implemented, and ethical principles are respected, possibly using external professionals.

- Ensuring the adequacy and effectiveness of the Model in preventing offenses as per the Decree.
- Coordinating with other corporate functions (also through specific meetings).
- Ensuring an exchange of information in order to keep the areas at risk of crime updated:
  - to monitor their evolution constantly.
  - to foster the various aspects relating to the implementation of the Model (definition of standard clauses, staff training, regulatory and organizational changes, etc.).
  - to ensure that the corrective actions necessary to make the model adequate and effective are undertaken promptly.
- Collecting, processing, and preserving all relevant information in accordance with the Model and updating the list of information to be transmitted.
- Promoting initiatives for training and communication on the Model and preparing the necessary documentation for this purpose.

The structure identified must be able to act in compliance with the need for the implementation, verification, and enactment of the organizational Models required by Article 6 under review. Additionally, and necessarily, the structure must be able to continuously monitor the state of implementation and the actual compliance of these Models with the prevention requirements that the law requires.

This constant verification activity should aim in two directions:

1. If it emerges that the state of implementation of the required operational standards is lacking, it is the responsibility of the body referred to in Article 6, paragraph 1, letter b) to take all necessary initiatives to correct this "pathological" condition. Depending on the cases and circumstances, this may involve:
  - Urging the responsible heads of individual organizational units to comply with behavioural models.
  - Directly indicating what corrections and modifications should be made to ordinary activity practices.
  - Reporting the most serious cases of non-implementation of the model to those responsible and to those involved in controls within individual functions.
2. If, on the other hand, the monitoring of the implementation status of the behavioural and organizational models reveals the need for adjustments, and as a result, these models are fully and correctly implemented but are found not suitable for preventing the risk of any of the offenses outlined



in the decree, it is precisely the body in question that will signal the need for an update and verify the actual adjustment of the model. The timing and manner of this adjustment are not predetermined, but the timing should be as prompt as possible, and the content will be dictated by the findings that have led to the need for adjustment.

To this end, the Supervisory Body must have free access to individuals and all company documentation and the ability to independently acquire data and information from responsible subjects. Finally, the Supervisory Body must be informed of all information as specified below.

## **6.2. Reporting to the Supervisory Body regarding Corporate Bodies**

The Supervisory Body is responsible for reporting to the Administrative Body as follows:

- Communicate, at the beginning of each fiscal year, the plan of activities it intends to carry out to fulfil its assigned tasks.
- Periodically communicate the progress of the defined program and any changes made to the plan, with justifications.
- Immediately report any significant issues that arise from its activities.
- Annually report on the implementation of the Model by S.T.I. ENGINEERING S.R.L.

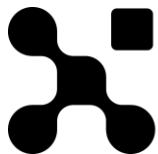
The Supervisory Body may also be requested to provide periodic reports to the Administrative Body regarding its activities.

The Supervisory Body may be invited by these bodies to report on the Model's functioning or specific situations.

The Supervisory Body may also communicate, depending on the specific circumstances:

- a. The results of its findings to the heads of functions and/or processes if aspects for improvement arise from its activities. In this case, the Supervisory Body must obtain from the process managers a plan of actions, including timing, for activities subject to improvement, as well as the specifics of the operational changes necessary for implementation.
- b. Report any behaviours/actions not in line with the Code of Ethics and company procedures to:
  - Gather all necessary information to make any required notifications to the relevant bodies for the assessment and application of disciplinary sanctions.
  - Prevent the recurrence of the incident and provide instructions for addressing deficiencies.

These activities in point 2 should be communicated by the Supervisory Body to the Administrative Body as soon as possible, and the Supervisory Body should request support from other company structures that can assist in the investigation and identification of actions to prevent the recurrence of such situations.

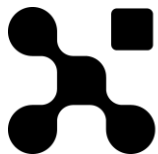


### 6.3. Information obligations to the Supervisory Body

To facilitate supervision of the Model's effectiveness and the investigation of causes/dysfunctions that may have allowed the commission of the offense, all useful information must be transmitted to the Supervisory Body. This includes, for example:

- From company functions, the results of control activities carried out by them to implement the models that highlight critical issues.
- Anomalies or irregularities detected by these functions.
- Measures and/or information from judicial police or other authorities indicating the initiation of investigations, even against unknown parties, for offenses covered by Legislative Decree 231/01.
- Internal and external communications related to any circumstances that may be associated with offenses covered by Legislative Decree 231/01 (e.g., disciplinary measures initiated/implemented against employees).
- Requests for legal assistance submitted by managers and/or employees subject to investigations for offenses covered by the aforementioned legislation.
- Inquiry committees or internal reports that reveal responsibilities for the offenses envisaged by Legislative Decree 231/01.
- Information within the framework of disciplinary proceedings regarding imposed sanctions or the closure of these proceedings, along with the reasons for such actions.
- Summarized statements on the most relevant contracts awarded through bids or private negotiations.
- Information on organizational changes.
- Updates on the delegation system.
- Significant or atypical operations affecting the risk.
- Changes in risky or potentially risky situations (e.g., the establishment of "funds at the disposal of company bodies," etc.).
- Any notifications from the auditing company regarding aspects that may indicate deficiencies in the internal control system, reprehensible facts, observations on the company's financial statements.
- Any reports of violations of rules, laws, acts, the Model, and other internal company regulations under Legislative Decree 24/2023, provided the Supervisory Body has been identified as an internal reporting channel by the company.

Furthermore, any other information that becomes known, whether from employees or third parties, related to the commission of offenses covered by Legislative Decree 231/01 or actions not in line with the established model, should be brought to the attention of the Supervisory Body.



These communications must be made in writing, sent in sealed envelopes marked as strictly confidential, and addressed to the Supervisory Body of S.T.I. ENGINEERING S.R.L., at the company's registered office, or to the email addresses of the Supervisory Body members, which are published in the dedicated section on the company's website and updated when there are changes.

The Supervisory Body must ensure the protection of those reporting against any form of retaliation, discrimination, or penalties, while also maintaining the confidentiality of the reporter's identity, subject to legal obligations and the protection of the rights of the company or individuals who may have been wrongly or in bad faith accused.

The Supervisory Body will evaluate the reports received with discretion and responsibility and may, as needed, interview the author of the report and/or the individual responsible for the alleged violation, providing written reasons for any autonomous decision not to proceed.

Additional details regarding the information to be provided to the Supervisory Body and the related information flow methods and responsibilities are provided in the Special part of the model, defined as "INFORMATION FLOWS," to which specific reference is made as an integral part of this Model.

#### 6.4. Periodic Checks

Checks on the Model will be of two types:

- By right: In addition to constant updates by the Supervisory Body, a verification of the company's key corporate acts and major contracts concluded by S.T.I. ENGINEERING S.R.L. is required.
- De facto: Periodically, the Supervisory Body will verify the actual implementation of the Model. Moreover, an analysis of any reports received, actions taken by the Supervisory Body and other involved parties, risky events, and the staff's awareness of corporate criminal liability issues will be conducted through random interviews.

### 7. Disciplinary System

Necessary conditions to ensure the effectiveness of the Model and efficient action by the Supervisory Body include the definition of a system of sanctions commensurate with the violation of the Model's procedures and/or further rules of the Model or the Code of Ethics, as well as the company's internal operating procedures governing core processes. This disciplinary system constitutes an essential requirement, according to Article 6, paragraph 1, letter e) of Legislative Decree 231/2001, for the company's exemption from liability.

The disciplinary system should include sanctions for all Recipients, taking into account their different types of relationships. The system, like the Model, applies to Top Management, all employees, collaborators, and third parties operating on behalf of the company, providing appropriate disciplinary sanctions in some cases and contractual/negotiation sanctions in others. The application of the disciplinary system and related sanctions is

independent of the existence and outcome of any criminal proceedings initiated by the Judicial Authority in the event that the conduct to be censured also constitutes a relevant offense under Legislative Decree 231/2001.

## 8. Information and Training

The company promotes understanding of the Model, its related internal procedures, and updates among all Recipients, and it is the responsibility of all Recipients to be aware of the Model's content, observe it, and contribute to its specific and timely implementation. Information and training activities should ensure that:

- Staff receive the company's Code of Ethics.
- Staff have been adequately informed through widespread, effective, clear, detailed, and periodically repeated communication about:
  - Organizational powers (powers of representation and signing authority), mandates, hierarchical lines of authority (organizational chart), special Part procedures.
  - Information flows and all elements contributing to transparency in daily operations.

To ensure the widespread distribution of the Model and the Code of Ethics both internally and externally, these documents are published on the company's website. For internal distribution within the company, a dedicated area of the company's IT network is available and periodically updated to provide specific and relevant documents. This area includes documents that make up the previously described information set, as well as forms and tools for reporting to the Supervisory Body and any other relevant documentation.

The company, recognizing the importance of training and information as a primary protocol, will work to ensure that employees are aware of the content of the Decree and the obligations derived from it and the Model. Information and training activities are established and carried out when the person is hired or when the working relationship begins, as well as in the event of changes in a person's role, changes to the Model, or other factual or legal circumstances that make it necessary to ensure the correct application of the provisions of Legislative Decree 231. In particular, after the approval of the updated version of this document, the following is planned:

- Initial communication to all employees about the adoption of this document.
- The delivery of an information set, containing references to the Model and related Procedures, to new hires in accordance with the company's practices for other regulations, such as privacy and information security.
- The signing by employees of a declaration of awareness and acceptance.
- A specific training activity planned for those responsible for company functions and services.

For other Recipients, including suppliers, consultants, and Partners, specific information on the policies and procedures adopted by the company based on the Model, the Code of Ethics, and the consequences of behaviour contrary to the Model's provisions, the Code of Ethics, or current regulations, will be provided by functions with institutional contact with these parties, under the coordination of the Supervisory Body. Where possible, specific clauses are included in contractual texts to regulate such consequences, such as termination clauses or withdrawal

rights in the event of behaviour contrary to the provisions of the Code of Ethics and/or Model Procedures.

## 9. Whistleblowing System

In accordance with EU Directive 2019/1937 on the protection of persons who report breaches of Union law, the Italian legislator has issued Legislative Decree 24 of March 16, 2023. This decree requires companies that have adopted Model 231 to structure an INTERNAL REPORTING CHANNEL, also known as WHISTLEBLOWING, which ensures the confidentiality of whistleblowers throughout the entire reporting process. The purpose of this system is to protect employees who report offenses or irregularities that have come to their attention in the course of their employment and to instil "social awareness" within the workplace, encouraging individuals to take action and report offenses to the authorities or even to their employers.

The system must include "at least an alternative reporting channel suitable for guaranteeing the whistleblower's identity's confidentiality" through computerized means.

Specifically, under Legislative Decree 24/2023, the company must establish an internal reporting channel, staffed by internal personnel specifically trained and responsible for collecting and managing reports. In the event of violations of the reporting system or the failure to create the internal channel, administrative penalties are foreseen for the company, and disciplinary penalties for those who violated the reporting system. Sanctions are also provided for individuals who engage in retaliatory or intimidating actions against whistleblowers.

The whistleblowing system structured by the company, as well as the methods and contact information for making reports, are outlined in Attachment 231.PG-All.07 Reporting Procedure - Whistleblowing.