

Model of organization, management and control

*IN COMPLIANCE WITH ARTICLE 6, PAR. 3°, OF THE ITALIAN
LEGISLATIVE DECREE N. 231 OF THE 8TH OF JUNE 2001 AND ITS
FURTHER INTEGRATIONS*

Last update approved by the Board of Directors on the 19th of February 2021.

TABLE OF CONTENTS

1. THE LEGISLATIVE DECREE N. 231 OF THE 8TH OF JUNE 2001	11
1.1 THE ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES	11
1.2 RECIPIENTS	11
1.3 EXEMPTIONS – THE ADOPTION OF THE MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL.....	12
1.4 CONFINDUSTRIA GUIDELINES	13
2. THE ORGANIZATIONAL MODEL OF SIRTI S.P.A.	16
2.1 THE COMPANY	16
2.2 THE GOVERNANCE AND THE ORGANIZATIONAL STRUCTURE	17
2.3 AIMS PURSUED THROUGH THE ADOPTION OF THE MODEL	18
2.4 BASIC ELEMENTS	18
2.5 PHASES OF MODEL PROCESSING.....	22
2.6 FUNCTIONS OF THE MODEL.....	23
2.7 ADOPTION AND MODIFICATIONS OF THE MODEL	24
2.8 THE MODEL 231 IN CORPORATE GROUPS	24
3. MONITORING BODY	26
3.1 REQUISITES OF THE MONITORING BODY	26
3.2 IDENTIFICATION, APPOINTMENT AND COMPOSITION OF THE MONITORING BODY	27
3.3 DURATION, WAIVER, REVOCATION	29
3.4 FUNCTIONS, POWERS AND INFORMATIVE OBLIGATIONS OF THE MONITORING BODY	30
3.5. COORDINATION ACTIVITIES OF THE MONITORING BODY WITH THE CORPORATE FUNCTIONS.....	32
4. MANAGEMENT OF INFORMATION FLOWS TOWARDS THE MONITORING BODY	34
4.1 INFORMATION FLOWS.....	34
4.2 DELEGATION SYSTEM	34
4.3 REPORTS OF COLLABORATORS OR THIRD PARTIES AND DISCLOSURE OBLIGATIONS	34
4.4 DISCLOSURE FROM AND TOWARDS THE MONITORING BODY AND THAT OF THE CONTROLLED COMPANIES.....	36
5 DISSEMINATION OF THE MODEL, TRAINING AND INFORMATION	38
5.1 TRAINING OF THE PERSONNEL.....	38
5.2 OUTWARD DISSEMINATION	38
6. DISCIPLINARY SYSTEM AND PROFILES.....	39
6.1 GENERAL PRINCIPLES	39
6.2 SANCTIONS FOR THE EMPLOYEES	39
6.3 MEASURES AGAINST THE DEPARTMENT MANAGERS.....	40
6.4 MEASURES AGAINST DIRECTORS AND STATUTORY AUDITORS.....	40
6.5 MEASURES AGAINST EXTERNAL COLLABORATORS AND PARTNERS	41
6.6 SANCTIONS UNDER ARTICLE 6, PAR. 2-BIS, LEGISLATIVE DECREE 231/2001 (“WHISTLEBLOWING”)	41
7. THE PROCESS OWNER	43
SPECIAL PART A.....	44
1. PREMISE	45
2. TYPES OF CRIMES IN THE RELATIONSHIPS WITH THE PUBLIC ADMINISTRATION, BRIBERY AMONG PRIVATE INDIVIDUALS AND INDUCEMENT NOT TO RELEASE STATEMENTS OR TO RELEASE MENDACIOUS STATEMENTS TO THE JUDICIAL AUTHORITY	46

2.1 CRIMES OF BRIBERY.....	46
2.2 AGGRAVATED CHEATING TO THE DETRIMENT OF THE STATE.....	51
2.3 CYBER FRAUD.....	52
2.4 CRIMES RELATED TO PUBLIC DISBURSEMENTS.....	52
2.5 INDUCEMENT NOT TO RELEASE OR TO RELEASE MENDACIOUS STATEMENTS TO THE JUDICIAL AUTHORITY.....	53
2.6 CORRUPTION AMONG PRIVATE INDIVIDUALS.....	53
3. IDENTIFICATION OF THE CRIME-RISK ACTIVITIES	55
3.1 CRIMES AGAINST THE PUBLIC ADMINISTRATION.....	55
3.2 CORRUPTION AMONG PRIVATE INDIVIDUALS.....	56
3.3 INDUCEMENT NOT TO RELEASE DECLARATIONS OR TO RELEASE MENDACIOUS DECLARATIONS TO THE JUDICIAL AUTHORITY	56
4. GENERAL PRINCIPLES OF BEHAVIOR.....	57
5. GENERAL PRINCIPLES OF CONTROL.....	60
SPECIAL PART B	68
1. PREMISE	69
2. TYPES OF CORPORATE CRIMES	70
2.1 CRIMES CONCERNING THE PROCESS OF DRAFTING THE FINANCIAL STATEMENTS, THE REPORTS AND OTHER CORPORATE COMMUNICATIONS REQUIRED BY LAW	70
2.2 CRIMES CONCERNING THE RELATIONS AND COMMUNICATIONS BETWEEN CORPORATE BODIES AND THIRD PARTIES.....	71
2.3 CRIMES RELATING TO CAPITAL TRANSACTIONS AND THE ALLOCATION OF PROFIT.....	71
2.4 CRIMES CONCERNING THE FORMATION OF SOCIAL WILL	72
2.5 CRIMES CONCERNING THE COMMUNICATION OF FALSE INFORMATION	73
2.6 CRIMES CONCERNING RELATIONS WITH PUBLIC SUPERVISORY AUTHORITIES.....	73
3. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME	74
4. GENERAL PRINCIPLES OF BEHAVIOR.....	75
5. GENERAL PRINCIPLES OF CONTROL.....	78
SPECIAL PART C	81
1. PREMISE	82
2. TYPES OF CRIMES RELATED TO HEALTH AND SECURITY IN THE WORKPLACES	83
3. THE ORGANIZATIONAL STRUCTURE	85
3.1 DEFINITION OF THE RESPONSIBILITIES FOR SAFETY AT WORK.....	85
3.2 CONFERRAL OF POWERS AND RESPONSIBILITIES IN THE FIELD OF HEALTH AND SAFETY AT WORK AND ACCIDENT PREVENTION.....	95
3.3 ATTRIBUTION OF COMPETENCES AND DESIGNATIONS	95
3.4 ASSESSMENT OF THE RISKS FOR HEALTH AND SAFETY	96
4. THE MANAGEMENT SYSTEM OF HEALTH AND SAFETY AT WORK PURSUANT TO BS OHSAS 18001:2007 AND SIRTI S.P.A.'S POLICY ON HEALTH AND SAFETY AT WORK	97
5. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME.....	99
6. GENERAL PRINCIPLES OF BEHAVIOR.....	101
7. GENERAL PRINCIPLES OF CONTROL.....	103
SPECIAL PART D	107
1. PREMISE	108
2. THE TYPES OF ENVIRONMENTAL CRIMES.....	109
3. SIRTI S.P.A.'S ORGANIZATIONAL STRUCTURE IN THE ENVIRONMENTAL MATTER.....	118
4. THE ENVIRONMENTAL POLICY OF SIRTI S.P.A.	120
5. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME	124
6. GENERAL PRINCIPLES OF BEHAVIOR.....	125
7. GENERAL PRINCIPLES OF BEHAVIOR.....	126
SPECIAL PART E	128
1. PREMISE	129
2. TYPES OF CYBERCRIMES, UNLAWFUL DATA PROCESSING, CRIMES CONCERNING COPYRIGHT INFRINGEMENT AND CYBERSECURITY CRIMES	130

2.1 CYBERCRIMES AND UNLAWFUL DATA PROCESSING	130
2.2 CRIMES CONCERNING COPYRIGHT INFRINGEMENTS (LAW 633/1941)	136
2.3 CYBERSECURITY CRIMES (LAW DECREE 105/2019)	138
3. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME	139
3.1 CYBERCRIMES AND UNLAWFUL DATA PROCESSING.....	139
3.2 CRIMES CONCERNING COPYRIGHT INFRINGEMENT (LAW 633/1941).....	139
3.3 CYBERSECURITY CRIMES (LAW DECREE 105/2019).....	139
4. GENERAL PRINCIPLES OF BEHAVIOR.....	140
5. GENERAL PRINCIPLES OF CONTROL.....	143
SPECIAL PART F.....	147
1. PREMISE	148
2. THE OFFENCE OF EMPLOYMENT OF ILLEGALLY STAYING THIRD-COUNTRY NATIONALS.....	149
3. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME	150
4. GENERAL PRINCIPLES OF BEHAVIOR.....	151
5. GENERAL PRINCIPLES OF CONTROL.....	152
SPECIAL PART G	153
1. PREMISE	154
2. OFFENCES OF RECEIVING STOLEN GOODS, LAUNDERING, USE OF MONEY, GOODS OR UTILITIES OF ILLEGAL ORIGIN, AS WELL AS SELF-LAUNDERING.....	155
3. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME	157
4. GENERAL PRINCIPLES OF BEHAVIOR.....	158
5. GENERAL PRINCIPLES OF CONTROL.....	160
SPECIAL PART H.....	164
1. PREMISE	165
2. TYPES CRIMES OF FALSEHOODS IN MONEY, PUBLIC CREDIT CARDS, REVENUE STAMPS AND INSTRUMENTS OR SIGNS OF IDENTIFICATION AND CRIMES AGAINST INDUSTRY AND COMMERCE.....	166
2.1 CRIMES OF FALSEHOODS IN MONEY, PUBLIC CREDIT CARDS, REVENUE STAMPS AND INSTRUMENTS OR SIGNS OF IDENTIFICATION.....	166
2.2 CRIMES AGAINST INDUSTRY AND COMMERCE.....	167
3. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME.....	168
3.1 CRIMES OF FALSEHOODS IN MONEY, PUBLIC CREDIT CARDS, REVENUE STAMPS AND INSTRUMENTS OR SIGNS OF IDENTIFICATION.....	168
3.2 CRIMES AGAINST INDUSTRY AND COMMERCE.....	168
4. GENERAL PRINCIPLES OF BEHAVIOR.....	169
5. GENERAL PRINCIPLES OF CONTROL.....	170
SPECIAL PART I.....	172
1. PREMISE	173
2. TYPES OF ORGANIZED CRIMES AND CRIMES WITH PURPOSES OF TERRORISM.....	174
2.1 ORGANIZED CRIMES.....	174
2.2 CRIMES WITH PURPOSES OF TERRORISM	177
3. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME.....	178
3.1 ORGANIZED CRIMES.....	178
3.2 CRIMES WITH PURPOSES OF TERRORISM	178
4. GENERAL PRINCIPLES OF BEHAVIOR.....	179
5. GENERAL PRINCIPLES OF CONTROL.....	180
SPECIAL PART L.....	183
1. PREMISE	184
2. TYPES OF CRIMES AGAINST THE INDIVIDUAL PERSONALITY.....	185
3. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME	186
4. GENERAL PRINCIPLES OF BEHAVIOR.....	187
5. GENERAL PRINCIPLES OF CONTROL.....	188
SPECIAL PART M.....	190

1. PREMISE 191
2. TYPES OF TAX CRIMES..... 192
3. IDENTIFICATION OF THE ACTIVITIES AT RISK OF CRIME 196
4. GENERAL PRINCIPLES OF BEHAVIOR..... 197
5. GENERAL PRINCIPLES OF CONTROL..... 199

INFORMATION ABOUT THE DOCUMENT

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DEFINITIONS

The following terms used in the Organizational Model have the following meanings:

- **Chief Executive Officer or CEO:** Managing Director in charge of the Company.
- **Company activity:** ordinary business activity carried out within the scope of the tasks assigned to the specific Company Function.
- **Activity at risk of crime:** corporate activities potentially exposed to the commission of the crimes assuming liability pursuant to the Legislative Decree 231/2001.
- **Ethical Code:** adopted by Sirti S.p.A. and approved by the Board of Directors (in a completely renewed version) on 17/11/2014 and subsequent amendments, it indicates the ethical principles

of the Company aimed at avoiding behaviors that may involve the types of offences provided for by the Decree, or that may integrate disciplinarily relevant facts.

- **Collaborator:** a person outside the Company who carries out fixed-term work for it under a specific contract regulated by law.
- **Board of Directors:** Council of Supervisors of the Company.
- **Consultant:** subject external to the Company who carries out a professional activity, not continuous and in full autonomy, in favor of the same on the basis of a specific contractual agreement.
- **Internal control:** process carried out by the Board of Directors, the managers and all the company personnel, aimed at providing a reasonable certainty on the achievement of the Company's objectives, which fall in particular into the following categories: effectiveness and efficiency of operating activities; reliability of financial statement information; compliance with the applicable laws and regulations.
- **Decree:** Legislative Decree n. 231 of the 8th of June 2001 and following amendments and integrations.
- **Recipients:** members of corporate bodies as well as employees and third parties (who are contractual counterparties of the Company), and in general all those who work to achieve the objectives of the Company, to whom the ethical principles, the operating instructions and the Organizational Model as a whole are addressed, each one according to the levels of responsibility attributed to him/her.
- **Company provision:** a specific and formalized company rule in synthetic terms such as, for example, a service order.
- **Company risk assessment document:** document pursuant to articles 17 and 28 of Legislative Decree 81/2008.
- **Company Function:** organizational unit constituted on the basis of the homogeneity of the competences necessary to carry out a specific activity.
- **Risk mapping:** documentation prepared by Sirti S.p.A. that (i) analyses the "sensitive" activities of the Company with reference to the risks of committing the crimes referred to in the Decree, (ii) summarizes the possible motivations and purposes for which the persons could be pushed to commit the crime to the advantage and interest of the Company.
- **Organizational Model (or simply Model):** model of organization, management and control suitable to prevent the crimes, prepared by the Company pursuant to the Legislative Decree 231/2001 and adopted by the Board of Directors.

- **Organigram:** system of representation of the various company functions, organized to carry out the Company's activities according to the relative hierarchical relationships between them.
- **Monitoring Body:** body endowed with autonomous powers of initiative and control as per article 6 of the Decree, appointed by the Board of Directors of the Company.
- **Policy:** set of rules, directives and principles, established for the corporate governance and which are also aimed, directly or indirectly, at preventing the commission of the offences referred to in the Decree.
- **Procedure:** set of codified business rules to be applied in the execution of a specific business activity carried out by one or more business functions, including policies and protocols.
- **Process or Cycle:** set of interrelated or interacting activities that describe the path of specific business activities by transforming the resources into a product, be it a good, a service or an information or a combination of these elements. The business process may involve several business areas or business functions.
- **Public Administration (P.A.):** ensemble of public and sometimes private bodies and entities, and all the other figures that carry out in some way the administrative function in the interest of the community and therefore in the public interest, in the light of the principle of subsidiarity, including their officials (public officials¹) and those in charge of a public service².
- **Responsible for Company Function:** subject entrusted with the responsibility of a specific company Function within the individual Organizational Units and the company areas that constitute the Organigram.
- **RSPP:** responsible for the service of prevention and protection referred to in article 2, letter. f) of the legislative decree 81/2008.
- **System of governance:** set of rules at every level governing the management of the enterprise by law or by company regulations.
- **Disciplinary system:** disciplinary system as per articles 6 and 7 of the Decree, suitable to sanction the failure to comply with the measures indicated in the Organizational Model and the Ethical Code.
- **Company:** Sirti S.p.A.

¹ Article 357 of the Italian penal code: "... all those who exercise, a public legislative, judicial or administrative function. To the same effects it is public the administrative function governed by rules of public law and authoritative acts and characterized by the formation and manifestation of the will of the public administration or by its carrying out by means of authoritative or certifying powers".

² Article 358 of the Italian penal code: "...person in charge of a public service. For the purposes of the criminal law, are in charge of a public service those who, at any title, provide a public service. A public service must be understood as an activity regulated in the same forms as the public function, but characterized by the lack of powers typical of the latter, and with exclusion of the carrying out of simple tasks of order and the provision of purely material work."

- **Apical subjects:** persons who hold functions of representation, administration or management of the entity or of one of its organizational units with financial and functional autonomy as well as persons who exercise, also *de facto*, the management and control of the same entity, pursuant to article 5, paragraph 1, letter a) of the Decree.
- **External subjects:** collaborators, even occasional, professionals, consultants, partners, customers and suppliers.
- **Subordinate subjects:** persons subject to the direction or supervision of one of the Apical Subjects referred to in article 5, paragraph 1, letter b) of the Decree.
- **Consolidated Law on Health and Safety at Work:** legislative decree 81/2008, “*Implementation of article 1 of the Law n. 123 of the 3rd of August 3 2007, on the protection of health and safety in the workplace*”.

General Part

1. THE LEGISLATIVE DECREE N. 231 OF THE 8th OF JUNE 2001

1.1 THE ADMINISTRATIVE LIABILITY OF LEGAL ENTITIES

Following the delegation of powers as per article 11 of the Italian Law n. 300 of the 29th of September 2000 and the subsequent Legislative Decree n. 231 of the 8th of June 2001 (containing the “*Regulation of the administrative liability of legal entities, companies and associations, including those without legal personality*”), a series of international and EU provisions have been definitively incorporated into the Italian legal system (see *Brussels Convention of the 26th of July 1995* on the protection of the European Communities’ financial interests; *Brussels Convention of the 26th of May 1997* on the fight against corruption; *OECD Convention of the 17th of December 1997* also on the fight against corruption) with the intent to consider legal entities “liable”. In particular, the Decree introduced a system of so-called administrative liability in criminal proceedings against legal entity, which is in addition to, **not a substitute for**, the personal criminal liability of the physical persons who committed the crimes.

The aforementioned liability of the entity is related to the commission of the offences (so-called “predicate” offences) specifically indicated in the Decree in the articles detailed in Attachment 1.

1.2 RECIPIENTS

The provisions of the present Organizational Model (ethical principles and operating instructions) are binding for all the members of the corporate bodies, for the employees, for third parties who may be contractual counterparties of Sirti S.p.A., and in general for all those who work to achieve the Company’s objectives.

So that the Body may be attributed the responsibility in question, the commission of one of the offences indicated in the Decree must take place **(i)** “in the *interest*” **or (ii)** “to the *advantage*” of the Company and must have been committed by one of the persons indicated in the Decree itself.

These subjects are:

1. **persons in apical position**, i.e. those physical individuals who hold functions of representation, administration or management of the Entity or of one of its organizational units with financial and functional autonomy, even just *de facto* (Apical Subjects);
2. **persons in a subordinate position**, i.e. natural people subject to the management or supervision powers of the subjects referred to in point 1 (Subordinate Subjects).

It is therefore sufficient that the fact has been committed in the *interest* of the Entity, i.e. to favor it, *regardless* of whether this objective has been achieved.

The criterion of the advantage relates to *the result* that the Entity has objectively drawn from the commission of the offence, regardless of the intention of those who committed it.

The Entity is not liable if the fact has been committed by one of the parties indicated in the Decree “*in its own exclusive interest or in that of third parties*”.

The Entity’s “administrative” liability also extends to the cases in which one of the offences envisaged by the Decree was committed in the form of an attempt.

Moreover, the Entity’s liability exists both if the perpetrator of the offence has not been identified and if the offence itself is extinguished against the offender for a reason other than amnesty.

If more than one person take part in the commission of the crime (hypothesis of the *participation of persons in the crime*: article 110 of the Italian penal code), it is not necessary for the “qualified” subject to carry out the typical action provided for by criminal law, since it is sufficient that the same person gives a conscious and causally relevant contribution to the realization of the crime.

The sanctions established for administrative offences dependent on a crime are:

- pecuniary sanctions;
- disqualification sanctions;
- confiscation of the profit;
- publication of the judgement.

In particular, the main disqualification sanctions consist of:

- disqualification from the exercise of the activity;
- prohibition to negotiate with the Public Administration;
- suspension or revocation of the authorizations, licenses or concessions;
- exclusion from facilitations, financing, contributions and subsidies, and/or revocation of those already granted;
- prohibition to advertise goods or services.

These sanctions’ statute of limitations (subject to interruption in the cases provided for by law) is 5 years from the date the crime was committed.

1.3 EXEMPTIONS – THE ADOPTION OF THE MODEL OF ORGANIZATION, MANAGEMENT AND CONTROL

The Decree provides that, under certain conditions, the Entity shall be exempt from liability.

In the hypothesis of offences committed by Apical Subjects, the Entity cannot be held liable if it proves that:

- the managing body has adopted and effectively implemented, prior to the commission of the offence, an organization and management model **suitable** for preventing offences of the same type of the one that has occurred;
- the Entity itself has entrusted the task of supervising the functioning, observance and updating of the Model to one of its bodies, endowed with autonomous powers of initiative and control;
- the perpetrators of the offence have acted by **fraudulently** circumventing the Model of organization and management adopted;
- there has not been insufficient or omitted supervision by the body responsible for control.

In the event of offences committed by Subordinate Subjects, the Entity is liable if the offence was made possible by failure to comply with management and supervisory obligations.

The liability of the Entity is presumed, except for the contrary demonstration above mentioned, if the predicate offence has been committed by persons in apical position, while the burden of proof is borne by the Public Prosecutor in the case of offences committed by Subordinate Subjects.

The minimum articulation of the Model must be the following one:

- principles of behavior;
- individuation of the areas of risk;
- measures suitable for risk prevention;
- sanctions related to the violation of the principles and/or procedures of the Model and/or to the commission of the crimes provided for by the Decree.

1.4 CONFINDUSTRIA GUIDELINES

The article 6 of the Legislative Decree 231/2001 expressly provides that the organizational, management and control models may be adopted on the basis of codes of conduct drawn up by associations representing the entities.

The Confindustria Guidelines have been approved by the Ministry of Justice with the Ministerial Decree of the 4th of December 2003. The subsequent update, published by Confindustria on the 24th of May 2004, has been approved by the Ministry of Justice, which judged these Guidelines to be suitable for achieving the objectives set out in the Decree. These Guidelines have been updated by Confindustria in March 2014 and approved by the Ministry of Justice on the 21st of July 2014.

In defining the model of organization, management and control, the Confindustria Guidelines provide for the following project phases:

- the identification of risks, i.e. the analysis of the company context in order to highlight in which areas of activity and according to which modalities the crimes provided for by the Legislative Decree 231/2001 may occur;
- the preparation of a control system suitable to prevent the risks of crime identified in the previous phase, through the evaluation of the existing control system within the Company and its degree of adaptation to the requirements expressed by the Legislative Decree 231/2001.

The most relevant components of the control system outlined in the Confindustria Guidelines to ensure the effectiveness of the organization, management and control model are the following ones:

- provision of ethical principles and behavioral rules in an Ethical Code or a Code of Conduct;
- a sufficiently up-to-date, formalized and clear organizational system, in particular with regard to the attribution of responsibilities, hierarchical dependency lines and the description of tasks with specific provision of control principles;
- manual and/or IT procedures that regulate the execution of activities, providing for appropriate controls;
- authorization and signature powers consistent with the organizational and managerial responsibilities assigned by the entity, providing, where appropriate, adequate spending limits;
- integrated control systems which, considering all the operational risks, are capable of providing timely notification of the existence and occurrence of situations of general and/or specific criticality;
- information and communication to the personnel, characterized by capillarity, effectiveness, authority, clarity and adequately detailed, as well as periodically repeated, to which is added an adequate staff training program, modulated according to the levels of the Recipients.

The Confindustria Guidelines, moreover, specify that the components of the control system described above must comply with a series of control principles, including:

- verifiability, traceability, consistency and appropriateness of each operation, transaction and action;
- application of the principle of separation of functions and segregation of duties (no one can independently manage an entire process);

- establishment, execution and documentation of the control activity on processes and activities at risk of crime.

For what the part relating to the protection of health and safety at work is concerned, the Sirti S.p.A. Model implements the indications of the British Standard Occupational Health Safety Assessment Series (OHSAS) 18001:2007 normative.

With reference to the objectives of environmental protection and safeguard, Sirti has adopted a management system in compliance with ISO 14001 standards, whose principles are implemented in the previous Model.

2. THE ORGANIZATIONAL MODEL OF SIRTI S.P.A.

2.1 THE COMPANY

Sirti S.p.A. has been connecting people and things in an innovative and sustainable way for almost a century, placing at the base of its strategy the extended concept of network: telecommunications, transports, energy and smart city. Sirti designs, builds and maintains complex infrastructures for the intelligent transport of data and energy.

SIRTI, in a direct way and through Group companies and participation bodies, is addressed to enterprises, public entities and all the organizations that need a service company capable to follow all the phases of a complex project – planning, realization, procurement, process management, maintenance – or turnkey solutions and services for networks, systems and technological infrastructures, operating with the utmost reliability and with a particular attention to sustainability and security.

The vast experience acquired, the know-how and the skills in the management of large projects allow Sirti to play the role of technology advisor, providing consulting services and innovative solutions to the public and private sector in different markets: Telecommunication, Energy, Infrastructure, ICT and Transport.

More in detail, Sirti's know-how in the different sectors is declined in:

Telecommunications:

- Design, implementation and documentation of fixed and mobile multi-technology networks of the latest generation through the use of innovative methodologies that maximize productivity, respect the environment and minimize inconvenience to the population.
- Urban and rail transport (railways, subways, trolleybuses).
- Traditional and innovative signaling systems: ACC (Central Computing System) and CTC (Centralized Traffic Control).
- Subway or overhead cable telecommunication networks (for WDM, SDH, ATM and IP transmissions) and radio-mobile networks in the sector of railways GSM-R (Global System for Mobile Communication - Railways), trolleybus and metro lines.
- Electric traction and light and motive power facilities.
- Sound diffusion systems.
- Video surveillance and tunnel security systems.
- Energy and motive force systems and auxiliary facilities.

Energy:

- Aerial and underground networks for high voltage transport.
- Distribution networks (medium and low voltage).
- Plants for the production of energy from renewable sources (solar and wind).
- Solutions and services for electromagnetic compatibility analysis.
- Safety solutions, supervision and control systems.
- Solutions and services for energy efficiency.
- Managed Services.
- Business process re-engineering, IT Operations, Software Development, Monitoring, OSS/BSS, through the use of specialized skills constantly updated and certified. Maintenance of technological assets distributed on the national territory through the combined use of 3 service centers active h24/7 and 2000 teams of specialists constantly connected through tablets to the centralized systems.
- Special Projects & System Integration.
- Large projects that involve the construction of complex infrastructures and the integration of different technologies: data center construction, SCADA systems, physical security and prevention systems, building management systems and intelligent traffic systems.
- Smart & Sustainable Solutions.
- Innovative technological solutions designed to enable the provision of sustainable services. These solutions are IoT (Internet of Things) implementations and are based on narrowband networks with very low energy consumption: Smart Metering (Water, Gas, Electricity), Smart Grid, Smart Parking, Smart Lighting (indoor and outdoor).

2.2 THE GOVERNANCE AND THE ORGANIZATIONAL STRUCTURE

The Company adopts a traditional management system whose corporate bodies are represented by the Shareholders' Meeting, the Board of Directors and the Supervisory Board, while the accounting is entrusted to an external auditing firm.

The Shareholders' Meeting has the task of taking the most relevant decisions for the life of the Company, among which the appointment of the corporate bodies, the approval of the financial statements and the amendments to the Statute.

The Board of Directors, which is responsible for managing the Company, has delegated part of its competences to the CEO. Legal representation of the Company is up to the Chairman of the Board of Directors, as well as to the CEO, within the limits of the conferred powers.

Sirti's current organization, formalized through the "Master Book Organizational", adopts a divisional structure (or Business Unit), i.e. an organization that groups the employees according to the business areas/technologies on which they operate. The support and staff functions maintain a functional organization that groups the employees according to the skills and the expertise they have in common.

2.3 AIMS PURSUED THROUGH THE ADOPTION OF THE MODEL

Sirti S.p.A., in order to ensure conditions of fairness and transparency in the performance of its activities and to consolidate its own image and position on the market, as well as to protect the expectations of its shareholders and the work of its employees, has decided to adopt its own Model of organization, management and control in line with the Legislative Decree 231/2001 and subsequent additions.

This Model, with a view to maintaining constant attention on sector regulations and to progressive improvement, in accordance with the provisions of the same Legislative Decree 231/2001, constitutes a revision of the Model previously adopted by the Company (approved by resolution of the Board of Directors on the 13rd of September 2004, subsequently updated by resolutions of the 28th of March 2008, 25th of June 2012, 28th of January 2013, 5th of June 2014, 17th of November 2014, 9th of March 2015 and 27th of June 2016), which it replaces integrally.

The Model has been adopted by Sirti S.p.A. by resolution of the Board of Directors on the 19th of February 2021 and constitutes for all intents and purposes the Company's internal regulations.

This initiative has been taken in the belief that the adoption of this Model can constitute a valid instrument for raising awareness among all the Recipients so that they may follow, in the performance of their activities, correct and linear conducts in compliance with the ethical principles and values on which the Company has historically been founded, such as to prevent the risk of committing the crimes contemplated in the Decree and in consideration of the relative benefits to the Company's image.

Sirti S.p.A. relies on the integrity of the behavior of all its employees and of the employees of the Group companies to maintain an adequate level of application of the provisions established by this Organizational Model. Therefore, failure to comply with these provisions may result in the application of appropriate disciplinary sanctions.

2.4 BASIC ELEMENTS

Sirti is aware that, in light of the norms provided for by the Legislative Decree 231/2001, the validity of the Organizational Model results strictly dependent on an effective prevention and control activity and, consequently, on the efficiency of the instruments concretely adopted for this purpose.

In light of these considerations, the Organizational Model elaborated and approved by Sirti is based on the following prevention and control methodologies and instruments:

- **COMPANY DEONTOLOGICAL CODE**, the so-called “**Ethical Code**”, i.e. the document that defines the ethical values and the behaviors to which all the members of the Company and the Group, as well as the collaborators and the third parties who work on behalf of, in the interest of or with Sirti, must conform in the execution of their duties, tasks and responsibilities. The Ethical Code affirms anyway principles that are suitable also for preventing the unlawful conducts referred to in the Decree, thus acquiring relevance for the purposes of this Model and forming an integral part of the same;
- **COMPANY ORGANIZATIONAL SYSTEM**, consisting of:
 - the **organigram**, which identifies, both within the overall Company and within each function, the hierarchical levels to which the individual positions are required to respond in relation to the performance of their activities;
 - the **job description**, which defines the specific tasks and duties to which each function or position results assigned;
 - the **Company’s disciplinary code**, which collects the articles of law and the contractual provisions governing the subject of the disciplinary sanctions and of all the punishable facts. Such documentation is posted in all company locations pursuant to article 7 of the Law 300/1970;
 - the **company procedures**, i.e. the set of all the rules and behaviors that the individual positions/functions must follow in carrying out their activities. All the procedures adopted by the Company are to be considered an integral part of this Organizational Model. In particular, the Human Resources & Organization Function (in collaboration with the various functions involved) ensures the definition and implementation of the “people strategy” through the structuring of the organizational model, the design and governance of corporate processes and the development of skills. The function also coordinates, with a dedicated department, all corporate transformation programs. Finally, all the company procedures, in accordance with what is established by this Model, are collected and accessible to the users on Sirti’s intranet portal under the menu item “Documentation”;
- **INTERNAL CONTROL SYSTEM**: it is characterized by a high attention to operational and reporting control, to the adoption of preventive measures against all forms of corruption and to the pursuit

of appropriate ethical values. These goals are achieved through a series of general control standards. In particular, the standards are:

- **Segregation of incompatible activities:** there must be segregation of roles between persons who carry out incompatible activities (for example, in the purchase/sale process the roles of those who manage the purchase/sale, those who account for transactions and those who pay/cash must be separated); **Separation of roles in the execution of business processes:** a plurality of roles must be ensured in the execution of business processes, distinguishing between those who have decision-making, authorization, executive and control roles; the related powers must be graduated in relation to the complexity and economic importance of the process; **Authorizations during the process and subsequent verifications:** the proper execution of corporate processes must be subject to line controls, suitable for the objectives of the process and to subsequent checks, with predefined methods and by different corporate entities; **Written regulations:** there must be corporate provisions and procedures formalized in writing that are suitable for providing principles of conduct and operating modalities for the performance of the activities; **Authorization and signature powers:** the authorization and signature powers must: *(i)* be consistent with the assigned organizational and managerial responsibilities, providing for the indication of approval thresholds, both for the issue of sale offers and purchase orders or other commitments to be borne by the Company; *(ii)* be clearly defined and known within the Company; **Traceability:** each transaction must be adequately documented. The process of decision, authorization, performance and control of the activity must be verifiable *ex post*, also by means of specific documentary and IT supports; the process must be regulated in detail to avoid the possibility of deleting or destroying the supporting documentation;
- **CIS (COMPANY INFORMATION SYSTEM)**, consisting of the set of hardware and software tools by means of which the various functions involved and/or in charge arrange within the Company the access, input, processing, management, archiving, verification of all data and information relating to the overall activity of Sirti;
- **MANAGEMENT CONTROL**, i.e. the Company's activity aimed at systematically carrying out accurate analysis and checks on Sirti's management performance, while ensuring the timeliness and quality of data and related reports.

In order to achieve this result, Sirti has equipped itself with instruments capable of guaranteeing both the systematic detection and control of critical parameters related to the management and monetary cycle and the comprehensive supervision and development of accounting and management reporting systems, also in view of a growing integration between economic, equity and financial aspects;

- **INTERNAL AUDITING ACTIVITIES**, i.e. the set of analysis and internal controls within Sirti Group, aimed at ascertaining the adequacy of the Internal Control System with regard to the effectiveness and efficiency of operating activities, to the reliability of financial statement information, to the respect and compliance with laws and regulations and to the safeguard of company assets. With respect to these activities, it is complementary to make any proposals for the improvement of control and risk management processes.

Therefore, functional to the above are both the carrying out of audits and assessments, to be implemented on the basis of the Annual Audit Plan approved by the Board of Directors, and the activity of promotion and dissemination of the control principles to company functions, participating in their implementation through risk and control mapping activities.

In order to ensure the adequacy of the management, prevention and control systems, the correct use of the tools above identified must be accompanied by the following activities:

- definition and conferral of proxies and/or authorization powers, consistent with the assigned responsibilities and in any case conferred both in compliance with the specific procedure provided for this purpose, and in line with the provisions of the procedure relating to the activity in question;
- conferral of powers and delegation of responsibilities for specific areas of company activities;
- preparation of an efficient system of control of the effective presence of the proxies, their limits and their permanence, with particular attention to the processes of replacement, promotion or turnover of persons with specific powers. It is the responsibility of the competent Human Resources & Organization Function and Corporate & Legal Affairs Function, also with the support of the Heads of Function of sensitive activities, to oversee the adjustment of the system of proxies in force, recommending any changes in case the management power and/or qualification does not correspond to the powers of representation of the person examined;
- activity of outreach and dissemination, at all company levels, of the rules of conduct and the established procedures, through specific training courses organized in collaboration with the Human Resources & Organization Function;

- adoption of a specific internal disciplinary system.

2.5 PHASES OF MODEL PROCESSING

The process of definition of this Model of organization, management and control is divided into the following phases briefly described below.

Phase 1

Identification of the sensitive activities

In this phase, first of all the entire company structure was analyzed, considering it as a whole and in the light of the related documentation (see, for example, organigram and internal regulations, proxies and delegations, procedures and policies, indications contained in the Confindustria Guidelines updated in March 2014 and the “history” of the Company or of the prejudicial events that have involved the company reality in its past), in order to identify in which areas/sectors of activity could in the abstract occur events attributable to the offences indicated in the Decree.

The scrutiny activity was carried out through information collected by the Function/Business Unit Managers and by the Apical Subjects who, due to the role held, are provided with the broadest and deepest knowledge of the operativity of the corporate sector for which they are responsible.

This resulted in a representation of the activities that are “sensitive” to the risk of commission of the offences involving the Company’s liability.

The results of the activity described above have been collected in a descriptive sheet (so-called Matrix of Crime-Risk Activities), which illustrates in detail the risk profiles of commission of the crimes referred to by the Legislative Decree 231/2001, within the scope of Sirti S.p.A.’s typical activities. In the Matrix of Crime-Risk Activities, which constitutes an integral part of the Organization, Management and Control Model, are represented the company areas (so-called “sensitive activities”) that are potentially associable with the crimes the realization of which is considered possible, the examples of possible methods and purposes of realization of the crimes themselves, as well as the processes in the execution of which, again in principle, the conditions, instruments and/or means for the commission of the crimes identified as applicable could be created (so-called “sensitive processes”).

Phase 2

Redaction of the Organizational Model

Subsequently, this document has been drawn up, consisting of *(i)* a General Part, which defines the principles, logic and structure of the Model itself, with attached a list of the offences provided for by the Legislative Decree 231/2001, the disciplinary code adopted by the Company, the characteristics of the Monitoring Body and the updating process and *(ii)* several Special Parts, which illustrate the risks of

crimes identified as potentially associable with the activities carried out by the Company and the related principles of behavior and control to prevent them.

Taking into account the different types of offences envisaged by the Decree and the Company's areas of reference, the following Special Parts have been identified – as a result of the activities explained in the above mentioned Phase 1:

- Special Part – A – Crimes against the Public Administration, Bribery between private individuals and Inducement not to release statements or to release mendacious statements to the judicial authority.
- Special Part – B – Corporate crimes.
- Special Part – C – Crimes related to health and security in the workplaces.
- Special Part – D – Environmental crimes.
- Special Part – E – Cybercrimes, unlawful processing of data, crimes concerning copyright infringement and cybersecurity crimes.
- Special Part – F – Employment of illegally staying third country nationals.
- Special Part – G – Receiving stolen goods, laundering, use of money, goods or utilities of illicit origin, as well as self-laundering.
- Special Part – H – Crimes of falsehoods in money, public credit cards, revenue stamps and instruments or signs of identification and crimes against industry and commerce.
- Special Part – I – Organized Crimes and crimes with purposes of terrorism.
- Special Part – L – Crimes against the individual personality.
- Special Part – M – Tax crimes.

2.6 FUNCTIONS OF THE MODEL

Sirti S.p.A., sensitive to the need to ensure conditions of fairness and transparency in the conduction of business and related corporate activities, to protect its image and reputation, the expectations of its stakeholders and the work of its employees, is aware of the importance of having an Organizational Model suitable to prevent the commission of unlawful behaviors by its directors, employees and collaborators subject to management or supervision by the Company.

Therefore, through the elaboration, adoption and implementation of this Model, the Company intends in particular:

- to prevent conducts that may integrate the types of offences referred to in the Decree;

- to disseminate the awareness that the violation of criminal law, of the Decree, of the provisions contained in the Model and of the principles of the Code of Conduct may lead to the application of sanctions (monetary and disqualifying) also against the Company;
- to spread a business culture based on legality, in the awareness of the express rejection by the Company of any conduct against the law, regulations, internal provisions and, in particular, the provisions contained in this Model;
- to realize a balanced and efficient organizational structure, with particular regard to the clear allocation of powers, to the formation of decisions and their transparency and motivation, to the preventive and subsequent controls on acts and activities, as well as to the correctness and truthfulness of internal and external information;
- to enable the Company, thanks to a system of controls and to a constant monitoring action on the correct implementation of such system, to prevent and/or promptly counteract the commission of relevant crimes pursuant to the Decree.

2.7 ADOPTION AND MODIFICATIONS OF THE MODEL

The adoption of the Model is of the Board of Directors of Sirti S.p.A.'s exclusive competence.

Moreover, the Board of Directors, also upon proposal and after consulting the Monitoring Body, implements, updates and/or changes to the Model following the introduction of new types of offences, changes in case law, changes in company activities, periodic audits and in any case when it finds acts and conducts of violation or avoidance of the provisions contained therein, such as to compromise the effectiveness of the Model itself in preventing the commission of the offences referred to in the Decree. For formal and non-substantial changes only, the Board of Directors may delegate its duties to the CEO. On the other hand, the Monitoring Body is responsible for concretely verifying whether or not it is necessary or appropriate to update the Model, promoting this need *vis-à-vis* the Board.

Internal resources are required to report to the Board of Directors and to the Monitoring Body any fact or conduct that may highlight the need to intervene on the Model.

2.8 THE MODEL 231 IN CORPORATE GROUPS

The Company, as the operating Parent company of the Sirti Group, promotes a process of evaluation regarding the adoption of an Organization, Management and Control Model pursuant to the Legislative Decree 231/2001 by its own controlled Companies that have a stable organization in Italy.

The Italian Controlled Companies, if they assess the need to adopt an Organization, Management and Control Model pursuant to the Legislative Decree 231/2001, thus adopt independently, by resolution of their own administrative bodies, and under their own responsibility, their own Model, taking care of its

implementation and appointing their own Monitoring Body. Each company identifies the sensitive activities, taking into account the nature and the type of activity carried out, the size and the structure of its own organization.

The Model adopted by the aforesaid companies will be communicated for information purposes to the Monitoring Body of the Company by each Monitoring Body. Every subsequent significant changes made to the models shall be communicated by the monitoring bodies of the Italian Subsidiary Companies to the Monitoring Body of Sirti S.p.A.

The Company provides the companies of the Group with services that it performs at a centralized level for the benefit of the companies of the Group. The discipline of the provision of these services is contained in specific service contracts, which contain the standard contractual clauses (object, duration, etc.), the essential characteristics of the services and the criteria on the basis of which Sirti attributes to the companies of the Group, by way of reimbursement, the direct and indirect costs and the charges incurred for the execution of the services.

3. MONITORING BODY

3.1 REQUISITES OF THE MONITORING BODY

The Monitoring Body (MB) is appointed by the Company and has the following characteristics.

- A. *Autonomy and independence.* The members of the MB do not carry out operational tasks nor have decision-making powers or management responsibilities in relation to the activities that are the object of their control function. In order to safeguard autonomy and independence, the MB will also be free from any form of interference and/or conditioning by any member or body of the Company. It follows that this requirement is ensured by the positioning within the organizational structure as a staff unit and in a position that is as high as possible, providing for the “reporting” to the highest operational top management, i.e. the Board of Directors as a whole.
- B. *Honorability.* The position of member of the MB cannot be held:
- by those who have been subjected to preventive measures ordered by the Judicial Authority in accordance with current legislation;
 - by those who have been sentenced with a final judgement (without prejudice to the case of rehabilitation) to imprisonment for one of the crimes established in banking, financial and tax matters; to imprisonment for one of the crimes provided for in the Title XI of Book V of the Italian civil code and in the R.D. n. 267 of 16/03/1942; to imprisonment for a period of not less than six months for a crime against the Public Administration, property, public order and public economy; to imprisonment for a period of not less than one year for any non-culpable crime;
 - by those who are in a relationship of kinship with persons in apical positions or subordinates of the Company and/or its subsidiaries.
- C. *Proven professionalism.* The MB has internal technical-professional skills with particular reference to the Company’s organization, internal control and the legal and penalistic field, appropriate to the functions it is called to perform. These skills, which, together with the previous requirements, guarantee the objectivity of judgement, result from the professional curriculum of each member.
- D. *Continuity of action.* The continuity of action is particularly ensured by the presence of an internal component within the Company. The MB continuously carries out its supervisory function on the concrete implementation of the Model with the powers of investigation conferred on it by the top management of the Company, without operational proxies nor other functions outside the provisions and regulations of this Model.

E. *Availability of the organizational and financial means necessary to carry out one's own functions.* In relation to the last point E., and also in order to guarantee the greatest possible degree of independence, the Board of Directors must provide the MB with adequate financial resources in its budget forecasts. To this end, the Board of Directors approves an annual budget on the basis of a proposal prepared by the MB itself.

The MB may, however, commit resources that exceed its spending powers in the presence of exceptional and urgent situations, upon timely information to and approval by the Board of Directors.

The MB – without prejudice to its own independent spending budget and, more generally, the usability of its internal resources – may also avail itself of the support of resources, also used on a part-time basis for specific supervisory and control tasks, within the Compliance and Internal Auditing Function and, if necessary, also of the contribution of the Human Resources & Organization Function, the Administration Finance & Control Function, the Corporate & Legal Affairs Function, and/or those that may be necessary from time to time.

3.2 IDENTIFICATION, APPOINTMENT AND COMPOSITION OF THE MONITORING BODY

The body entrusted with the task of supervising the functioning and observance of the Model as well as updating it, must be endowed with autonomous powers of initiative and control (article 6, paragraph 1, letter b, Legislative Decree 231/2001).

The Illustrative Report to the Decree states that: “the Entity (...) shall also supervise the effective operativity of the models, and therefore the compliance with them: to this end, in order to guarantee the maximum effectiveness of the system, it is provided that the Company makes use of a structure that must be set up internally (in order to avoid easy maneuvers aimed at pre-constituting a license of legitimacy for the Company's operations through recourse to complacent bodies, and above all to establish a real fault on the part of the entity), endowed with autonomous powers and specifically responsible for these tasks (...) of particular importance is the provision of an information burden towards the aforementioned internal control body, functional to guarantee the same operational capacity (...)”.

The task of continuously monitoring the efficient functioning and compliance with the Model, as well as proposing its updating, is entrusted to the MB.

The MB operates in full autonomy, having as its sole referent person the Board of Directors of the Company.

The Board of Directors appoints the MB with a reasoned decision with respect to each member, choosing it on the basis of the requirements of professionalism, honorability, competence, independence and functional autonomy.

With the same provision, the Board of Directors also determines the annual remuneration to be attributed to each member.

The loss of even just one of the aforesaid requirements for the individual members of the MB will result in forfeiture of office, which will be ascertained and declared in the first meeting following the occurrence of the cause of forfeiture itself by the Board of Directors, which will also provide for the replacement.

The following figures can become part of the MB, by way of example:

- *employees of the Company without managerial powers and/ or responsibility functions, but with the exception – by virtue of the specific skills and the particular role held – of the head of the Internal Auditing function;*
- *external professionals.*

A person who is in one of the following situations cannot be appointed as a member of the Monitoring Body and, if appointed, will decay:

- spousal relationship, kinship or affinity within the 4th degree, cohabitation in *more uxorio*, or relations of persons falling within the emotional sphere, with: (a) members of the Board of Directors, (b) persons who hold positions of representation, administration or management of the Company or of one of its organizational structures with financial and functional autonomy, (c) persons who exercise, also *de facto*, the management and control of the Company, statutory auditors of the Company and the auditing firm, as well as the other persons indicated by law;
- conflict of interest, including potential one, with the Company or its subsidiaries, that may compromise its independence;
- ownership, direct or indirect, of shareholdings of such a size to allow the exercise of significant influence over the Company or its controlled ones;
- functions of executive director held in the three financial years prior to appointment as a member of the Monitoring Body in companies subject to bankruptcy, compulsory administrative liquidation or similar procedures;

- relationship of public employment with central or local administrations in the three years prior to the appointment as a member of the Monitoring Body;
- provision of conviction, even if not final, or application of the penalty upon parties' request (so-called "plea bargaining"), in Italy or abroad, for violations relevant that are to the administrative liability of entities pursuant to the Legislative Decree 231/2001;
- conviction, even if not final, or sentence of "plea deal" to a penalty that implies the disqualification, even temporary, from public offices, or the temporary disqualification from the directive offices of legal entities and companies.

In implementation of the provisions of the Decree, Sirti S.p.A., upon resolution of the Board of Directors, has set up a Monitoring Body with collegial shaping, composed of the *pro-tempore* head of the Internal Auditing function and two professional figures from outside the Company with specific expertise in legal matters, one of which with Chairman functions.

Except for the reasons for termination of the charge provided for in paragraph 3.3 below, in the event of renewal of the composition of the Board of Directors, in order to ensure the continuity and independence of the control activity relating to the compliance with the legislation pursuant to the Legislative Decree 231/01, the MB will remain in office, without prejudice to the faculty of the appointed Board of Directors to grant a new assignment to another Monitoring Board.

3.3 DURATION, WAIVER, REVOCATION

The members of the MB remain in office for 3 years and at the natural expiry date they can be re-elected. Each of the members of the MB may resign from the office; it is also mandatory for each member of the Body to resign from the office if, at whatever title, there come causes of incompatibility and/or impossibility in carrying out activities and assuming his/her own responsibilities and/or in any case in the event of a conflict of interest.

The Board of Directors may deliberate the revocation of the charge to the MB in the following cases:

- a ban or incapacitation, or a serious infirmity that implies an absence of more than six months of one of the components;
- a serious breach of its own duties as defined in this Organizational Model;
- the violation of confidentiality obligations with regard to news and information acquired in the exercise of the typical functions of the Monitoring Body;
- a final judgement of conviction against one of the members of the MB, which entails the disqualification, even temporary, from public offices, or from the management offices of legal entities and companies;

- the unjustified absence of a member at three meetings, even not consecutive, during the year;
- for the component linked to the Company by a subordinate employment relationship, the start of a disciplinary proceeding for facts from which the sanction of dismissal may result.

In any case, the causes of termination of the members of the MB are:

- the expiration of the assignment;
- the forfeiture;
- the revocation by the Company;
- the renunciation.

The MB itself may request the Board of Directors to revoke one of its members for well-founded reasons or for clear conflict of interest.

Any change in the composition of the MB must be decided by the Board of Directors.

The Monitoring Body has defined, in full autonomy, the rules for its operation in the “Regulations for the activities of the Monitoring Body”, sent to the Board of Directors for acknowledgement.

3.4 FUNCTIONS, POWERS AND INFORMATIVE OBLIGATIONS OF THE MONITORING BODY

The MB has all the powers of initiative and control within the Company, such as to allow it to effectively exercise in full autonomy the functions provided for in the Model and/or in the subsequent measures taken to implement it.

The members of the MB, and the persons whose collaboration the latter may avail itself at any title, are bound by the obligation of confidentiality on all the information learned in the exercise of their functions.

The MB does not have, nor can it be attributed, management powers of the Company.

The Body supervises the effectiveness of the Model, the compliance with the principles of reference and the actual observance, application and effectiveness of the rules set out therein.

The MB:

- carries out an inspection activity within the areas at risk with the frequency that it plans in full autonomy, taking particular account of any reports and anomalies found in the organization of the Company;
- periodically monitors the effectiveness of the Model, essentially verifying the consistency between the conducts concretely implemented in the Company and the provisions of the Model itself, assesses its adequacy in its capacity to prevent, in principle, unwanted behaviors and periodically analyzes the maintenance over the time of the requirements of solidity and functionality;

- has access to all the information concerning the operations carried out within the scope of the areas and/or activities at risk; to this end, it may ask information or request the access to the company information systems or the production of documents from the Company's managers, all the personnel operating in these areas, the Board of Directors, the Board of Statutory Auditors, the independent auditors' Firm and, in general, from all the persons required to comply with the Model; it may also conduct interviews with the persons in charge in the single phases of the various processes at risk; all without the need for any prior consent.
- periodically requests, with at least annual frequency, written information from those in charge of the activities and/or areas at risk;
- plans and carries out inspections in order to assess the compliance of the conducts with the Model by the Recipients;
- can turn to external consultants for problems of particular complexity or requiring specific expertise;
- submits to the competent function or directly to the Board of Directors the proposals for the adoption of sanctioning procedures relating to the violation of the rules and principles established in the Model and in the Ethical Code and provided for in the "Disciplinary System" of the Model itself;
- submits the Model to periodic verification, with a frequency of not less than twelve months, and proposes its updating, in accordance with the provisions of this Model;
- draws up, at least once a year, a written report on the activities carried out, sending it, together with a reasoned statement of the expenses incurred, to the Board of Directors and the Board of Statutory Auditors. This report also contains possible proposals for integration and modification of the Model;
- in addition to what specified in the previous point, it reports directly and continuously to the Chairman. At least once a year, the MB and the Board of Statutory Auditors discuss the results of their activities which are potentially pertaining to the Legislative Decree 231/01, as well as the compliance with the Model.
- draws up the annual program of activities, implements it and evaluates the results of the audits carried out and their impact on the Organizational Model;
- in order to allow the Board of Directors to evaluate eventual additions, updates, changes to the Model, the reports referred to in the previous point are drawn up referring in any case:
 - any anomaly found in the functioning of the Model;

- problems concerning the implementation modalities of the procedures indicated in the Model or adopted on the basis of the Model and the Ethical Code;
- any report received from collaborators and/or third parties;
- the disciplinary measures and sanctions eventually applied by the Company in the context of activities at risk;
- an overall evaluation on the functioning of the Model with possible indications for integrations or modifications.

For a better execution of its own activities, the Body may delegate one or more specific tasks to single members of it, who will carry them out in the name and on behalf of the Body itself. With regard to the delegated tasks, the responsibility deriving from them falls on the Body as a whole.

The minutes of the meetings of the MB and the reports are kept by the MB itself, also through the Compliance Function.

The Company's personnel and its collaborators directly contact the MB to report any behavior that is not consistent with what is indicated in the Model and the Ethical Code.

3.5. COORDINATION ACTIVITIES OF THE MONITORING BODY WITH THE CORPORATE FUNCTIONS

Without prejudice to the requirements of autonomy and independence, the MB coordinates with the corporate functions which are competent in relation to the profiles involved from time to time. In particular:

- with the Administration Finance & Control and Corporate & Legal Affairs Functions for corporate fulfilments that may have relevance with respect to the commission of corporate offences, as well as for the aspects relating to the latter's competence (e.g. interpretation of the relevant legislation, contracts);
- with the Human Resources & Organization Function regarding information dissemination, personnel training and disciplinary proceedings;
- with the Human Resources & Organization Function, with regard to the feedback of existing company procedures and their completeness and appropriate formalization, as well as the need for their possible updating/integration and, more generally, the verification of the consistency of internal regulations with the principles of the document;

- with the Compliance, Quality, Environment, Health & Safety Function, with regard to compliance issues with respect to the possible commission of the underlying offences of reference, as well as with regard to the Company's duties that may be relevant in regard to the commission of crimes in the matters of health and safety at work and environment.

4. MANAGEMENT OF INFORMATION FLOWS TOWARDS THE MONITORING BODY

4.1 INFORMATION FLOWS

For a proper functioning of this Organizational Model, as well as for the purposes of adequate monitoring activity of the MB, the Recipient subjects are bound to the respect of the information flows provided for:

- by the present Organizational Model;
- by the appropriate procedure prepared by the MB.

In order to facilitate the information flows, the Monitoring Body has also equipped itself with an appropriate mailbox, with address odv@sirti.it, specifically dedicated to and with access reserved for the Monitoring Body only.

Moreover, in order to allow also the sending of reports in anonymous form, it is possible to contact the MB through the use of ordinary mail, to be sent to the address OdV - Sirti S.p.A., Via Stamira d'Ancona, 9, 20127, Milan.

4.2 DELEGATION SYSTEM

All the documents relating to the system of delegations and/or proxies in force in the Company must be promptly transmitted to the MB, with any relative update and integration.

4.3 REPORTS OF COLLABORATORS OR THIRD PARTIES AND DISCLOSURE OBLIGATIONS

Any information coming from collaborators and/or third parties, pertaining to the implementation of the Model in the “areas of activity at risk” must be communicated to the MB.

With regard to such obligation to provide information, the following provisions apply:

- the members of the Corporate Bodies, and in general all the Company’s staff and collaborators, must report to the MB the violations, either confirmed or suspected, of the Model or of the related procedures and/or any conduct and/or practice not in line with the provisions of the Ethical Code adopted by the Company;
- the managers of company areas must communicate to the MB the correspondence of the protocols and preventive controls indicated in the risk mapping with the operational reality and promptly report any serious anomaly or violation in the functioning of the Model;
- consultants, collaborators and business partners, with regard to the activities carried out with Sirti S.p.A., being recipients of the Model, have the obligation to provide the Monitoring Body with

reports relating to the potential commission of crimes indicated by the Legislative Decree 231/01, at the following e-mail address: odv@sirti.it (see “General Terms of Supply”);

- the MB, after evaluating the reports received and hearing the parties involved, will activate the competent functions for the possible taking of all the appropriate measures;
- the reports must be formalized in writing, verbal and/or telephone communications not formalized in the manners and contents indicated in the appropriate procedure prepared by the MB will not be taken into consideration;
- it is the duty of the MB to guarantee the reporters against any form of retaliation (direct or indirect), discrimination or penalization for reasons directly or indirectly related to the report, also ensuring the confidentiality of their identity and the protection of the rights of the Company or of the persons accused wrongly and/or in bad faith;
- confidentiality is always guaranteed about the identity of those who sign and transmit to the Monitoring Body information useful to identify conducts that differ from what is indicated in the procedures envisaged in the internal control system, as well as from the Model and from the procedures established for its implementation, without prejudice to any legal obligation of report to the Judicial Authorities established by law.

In case the MB receives false news and/or information, given in bad faith and/or with intent, it must report the incident to the persons with the power to take the possible consequent measures, as defined in paragraph 6.6. “*Sanctions pursuant to article 6, paragraph 2-bis, Legislative Decree 231/2001* (‘whistleblowing’), to which reference can be made. The author of the aforesaid reports may be subject to a disciplinary action, as established by the current norms of the National Labor Contract, of labor law and in general of the law in force, as well as in accordance with the Company’s Model.

Should written reports in anonymous form be received, the MB will have the possibility to evaluate the opportunity to take them into due consideration, provided that they contain detailed data, facts and information.

Should reports of violations not related to the provisions of this Model be received, the Monitoring Body will take care of forwarding them to the Human Resources & Organization Department.

In addition to the above mentioned reports, it is compulsory to transmit to the MB appropriate information notes concerning:

- news about proceedings undertaken by judicial police bodies, or by any other authority, from which it can be inferred that the Company is being investigated for the crimes referred to in Legislative Decree 231/01;

- requests for legal assistance made by the Directors, Function Managers and/or employees in case of the initiation of a legal proceeding for the crimes provided for by Legislative Decree 231/01;
- reports prepared by the heads of the various corporate functions from which facts, acts, events or omissions may emerge with profiles of criticality with respect to the compliance with the provisions of Legislative Decree 231/01;
- information relating to the effective application of the Organizational Model, with evidence of the disciplinary provisions started, the sanctions inflicted and eventual dismissals.

In particular, the persons in charge of the areas at risk identified in the Special Parts of the Model are required to send periodically by e-mail (odv@sirti.it) to the Monitoring Body the information flows provided for in this Model and in the specific procedure prepared by the Monitoring Body, which will analyze their contents in order to supervise the areas at risk identified in the Model and carry out an effective planning of the supervisory activities on them.

The MB is responsible for keeping the documentation relating to the activities carried out, as provided for by the procedure “Information flows from/to the Monitoring Body”, in a special archive, in such a way as to prevent the subsequent modification, if not with appropriate evidence, in order to allow the correct traceability of the entire process and to facilitate potential subsequent controls.

Failure to comply with what is established by the “*Information flows from/to the Supervisory Body*” procedure represents a violation of this Model.

4.4 DISCLOSURE FROM AND TOWARDS THE MONITORING BODY AND THAT OF THE CONTROLLED COMPANIES

Each controlled company, equipped with an Organization, Management and Control Model pursuant to the Legislative Decree n. 231/2001, for the purposes indicated in the Decree and under its own responsibility, establishes its own autonomous and independent Monitoring Body.

The Monitoring Body of the subsidiary must inform the Monitoring Body of Sirti S.p.A. about the facts detected, the violations committed by employees of the Sirti Group, the disciplinary sanctions and adjustments to its own Model and the occurrence of events or circumstances that are relevant to the purposes of the performance of the activities within the competence of the Monitoring Body of Sirti S.p.A.

The Monitoring Bodies of the companies controlled by Sirti S.p.A. collaborate with Sirti S.p.A.’s Monitoring Body, ensuring an adequate communication channel.

In this regard, the Monitoring Body of Sirti S.p.A. has the faculty to request the acquisition of relevant documentation and information and to carry out, individually, informing the competent Monitoring Body about this, or jointly with the Monitoring Body of the company concerned, periodic controls and targeted checks on the individual activities at risk.

5 DISSEMINATION OF THE MODEL, TRAINING AND INFORMATION

5.1 TRAINING OF THE PERSONNEL

It is a precise commitment of Sirti S.p.A. to give a wide dissemination, both internally and externally, of the principles contained in this Organizational Model; to this end, appropriate initiatives are put in place, aimed at promoting and disseminating the knowledge of them, taking care of operating a necessary diversification of deepening according to the role, responsibility and task in the Company.

Sirti takes continuously care of the training and information of its personnel, regarding the law provision and the implementation of the Model, through the distribution of the Organizational Model itself, with simultaneous acknowledgement and receipt, as well as with the establishment of seminars or periodic refresher courses (and/or other methods that the Company may deem more effective over time, in harmony with technological evolution and best practices), diversifying – where more appropriate – the training activity between managerial and representative staff and other personnel, so as to be able to address the different categories of Recipients in a more targeted manner.

Communication is also implemented through the organizational tools that are appropriate to ensure a capillary, effective, authoritative (i.e. issued at an adequate level), clear and detailed, periodically updated and repeated flow.

The courses are mandatory and the Human Resources & Organization Function will track and record the effective participation of the personnel to the training courses. Failure to attend training courses without justified reason represents a violation of this Model. The documentation in general related to information and training activities will be stored by the Human Resources & Organization Function and available for consultation by the Monitoring Body and any person entitled to view it.

5.2 OUTWARD DISSEMINATION

The Company promotes the knowledge of the Ethical Code of and the Model (General Part) also to subjects outside the Company, such as customers, suppliers, partners and third parties in general, to whom both documents are made available through the publication on Sirti S.p.A.'s website.

The occurred communication and formal commitment on the part of external parties to respect the principles of the Ethical Code and of the present Model are documented through the preparation of specific declarations or contractual clauses, duly submitted and accepted by the counterparty.

6. DISCIPLINARY SYSTEM AND PROFILES

6.1 GENERAL PRINCIPLES

An essential aspect for the effectiveness of the Model is the preparation of an adequate disciplinary system aimed at sanctioning the violation of the rules of conduct set forth in the Model itself.

The internal disciplinary measure does not depend on the outcome of a possible criminal action, as there is not a necessary coincidence between behaviors of non-compliance with the Model and behaviors that integrate hypothesis of crimes in general or pursuant to the Legislative Decree 231/01.

6.2 SANCTIONS FOR THE EMPLOYEES

Conducts that are contrary to the behavioral rules contained in this Model can be qualified as disciplinary offences.

Company employees must promptly inform their hierarchical superiors or contact persons about any circumstance that involves, or appears to involve, a deviation from the rules of ethics and conduct indicated in the Ethical Code and in the Model. If, for justified reason or opportunity, it is deemed inadvisable to report directly to one's own hierarchical superior or contact person, the employee must communicate directly with the MB.

The MB guarantees the maximum confidentiality of the person who submitted the report, protecting his/her identity and maintaining the utmost discretion. The reports will be compulsorily assessed by the Monitoring Body, which will activate an ascertainment process of the truth and soundness of the same, at the end of which the Monitoring Body, in the event of a positive assessment, will inform the competent company Functions of the opportunity to initiate a disciplinary proceedings in accordance with the Model.

Employees who should violate the rules contained in the Organizational Model, result subject to the sanctions defined in accordance with the National Collective Labor Contract, Metal-mechanical Sector. With regard to the ascertainment of the infractions, disciplinary proceedings and the imposition of sanctions, the powers already conferred on the company Function remain unchanged, within the limits of the respective competence.

The disciplinary system is constantly monitored and every changes are communicated to the workers and to the possible Unified Trade Union Representatives (UTUR).

By mere way of example, the following behaviors are considered to constitute disciplinary infringements:

- the violation, even with omitting conducts and in collaboration with others, of the procedures provided for in this Model or established for its implementation;
- the redaction, even with the participation of others, of incomplete or untruthful documentation;

- the facilitation, through omitting conduct, of the redaction by others of incomplete or untruthful documentation;
- the omitted redaction of the documentation required by this Model or by the procedures established for its implementation;
- the violation or circumvention of the control system provided for by the Model, in any way carried out, including the removal, destruction or alteration of the documentation relating to the company procedures, the obstruction to controls, the impediment to the access to information and documentation opposed to those responsible for controlling procedures and decisions, or the realization of other conducts suitable for the violation or circumvention of the control system itself.

In any case, if the fact constitutes a violation of duties arising from the law or from the employment relationship, such as not to allow the continuation of the relationship itself, not even temporarily, it may result in the dismissal without notice, pursuant to article 2119 of the Italian civil code, without prejudice to the compliance with the disciplinary proceeding.

As a result of the disciplinary challenge, the revocation of the possible proxies entrusted to the person concerned may be ordered.

The task of organizing and managing the disciplinary proceeding is up to the Human Resources & Organization Function, which reports to the MB about the application of the sanctions issued.

6.3 MEASURES AGAINST THE DEPARTMENT MANAGERS

In case of violation or adoption of behaviors that does not comply with the provisions of the Model by the Function Managers, disciplinary measures are applicable to them in accordance with the provisions of the National Collective Bargaining Agreement for Industry Managers where applicable, the Italian civil code, as well as any other special regulation applicable.

In particular, in case the violation of the Organizational Model should result in the loss of the fiduciary relationship with the Company, the sanction is identified in the dismissal for just cause.

6.4 MEASURES AGAINST DIRECTORS AND STATUTORY AUDITORS

In case of violation of the Model by Directors, the MB will promptly inform the other members of the Board of Directors, the Board of Statutory Auditors and the Shareholders' Meeting in order to adopt and implement the appropriate measures.

The Board of Directors, together with the Board of Statutory Auditors, will proceed to carry out the appropriate checks and take the necessary measures within the scope of their respective attributions, including the possible convocation of the Shareholders' Meeting for the proposal of revocation from the charge.

In case of violation of the Model by a member of the Board of Statutory Auditors, the MB must immediately notify the Board of Directors, which will carry out the appropriate checks and take the necessary measures within the scope of its attributions, including the information to the members of the Board of Statutory Auditors and the eventual convocation of the Shareholders' Meeting to revoke their charge.

The MB must be kept duly updated on the measures adopted.

The conviction to one of the crimes referred to in Legislative Decree 231/01 constitutes just cause for revocation of the mandate.

6.5 MEASURES AGAINST EXTERNAL COLLABORATORS AND PARTNERS

Any violation of the Model by external collaborators or partners will be sanctioned - according to the provisions of specific contractual clauses included in the relative contracts, letters of assignment or partnership agreements - with the termination of the contractual relationship, and without prejudice to possible claims for compensation if such behavior results in concrete damages.

Collaborators are intended to be those who, by virtue of specific mandates or proxies, represent the Company towards third parties. Any behavior adopted by external collaborators in contrast with the lines of conduct indicated in this Model may result, thanks to the activation of appropriate clauses, in the termination of the contractual relationship.

The Corporate & Legal Affairs Function, with the collaboration of the MB, takes care of the processing, updating and insertion, in the letters of assignment or partnership agreements, of such specific contractual clauses, which will also provide for the possible claim for damages arising to the Company from the application by the Judge of the measures provided for in the Decree.

6.6 SANCTIONS UNDER ARTICLE 6, PAR. 2-BIS, LEGISLATIVE DECREE 231/2001 (“WHISTLEBLOWING”)

With reference to the sanctioning system related to the correct management of the reports of offences pursuant to article 6, paragraph 2-*bis*, Legislative Decree 231/2001 (so-called “Whistleblowing”), are established:

- sanctions in safeguard of the reporter for those who carry out acts of retaliation or discrimination, direct or indirect, against the reporter him/herself for reasons related, directly or indirectly, to the report;
- sanctions against those who make, with intent or gross fault, reports that prove to be unfounded.

The sanctions are defined in relation to the role of their recipient, according to what has been indicated in the previous paragraphs, to the extent that the violations of the rules related to the reporting system represent, themselves, violations of the provisions of this Model.

7. THE PROCESS OWNER

Individuation of the Process Owner

Within the areas of activity at risk, as individuated in the Special Parts, it is necessary to give due evidence of each operation; for this purpose it is necessary to identify a person responsible for each process/cycle and company procedure: the so-called “Process Owner”.

The identification of the owners of the various processes and procedures is carried out within the scope of the Human Resources & Organization Function; the communication and updating of the figures who hold the role of owner is handled by the Human Resources & Organization Function, which is also responsible for verifying that the owner (or the owners) of reference is specified within each procedure or process. If not explicitly established, “Process Owner” have to be considered the Managers of each function.

Tasks of the Process Owner

The owner has the task to:

- guarantee for each operation at risk the availability, updating, storage of all the documentation relating to the same, for any eventual check to be carried out by the MB;
- act as Sirti’s representative in relation to Public Administrations, Public Officials and/or Persons in charge of public services. To this end, the Board of Directors assigns to the owner specific mandate and powers through the granting of specific delegation or proxy. If such powers are instead conferred by mean of sub-delegation by the competent Function, express ratification by the Board of Directors will be necessary;
- act as a contact person and responsible for the operation or the set of operations of the areas of activity at risk;
- contact the MB in case of questions, including interpretative ones, that may arise with reference to the objectives of prevention of this Model;
- have full knowledge of the fulfilments to be carried out and the obligations to be observed in the execution of the activities falling within the area of the operation at risk within its own competence; to this end, it is involved in the training program provided for in this Model and undertakes to inform/teach its own collaborators on the subject. Furthermore, the process owner is required to comply with the discipline of the “Information flows to the MB” procedure.