Organisation, Management and Control Model pursuant to Legislative Decree No. 231/01

Approved by the Board of Directors of Italia Trasporto Aereo S.p.A. on 09/06/2023

TABLE OF CONTENTS

FOREWORD

Italia Trasporto Aereo S.p.A. (hereinafter also referred to as "ITA" or the "Company"), incorporated on 11/11/2020 and which started operating on 15/10/2021, is the Italian national airline carrier wholly owned by the Ministry of Economy and Finance (MEF). ITA operates under private law pursuing objectives of a commercial and industrial nature, with the aim of operating and carrying on its business in the field of air transport of passengers and cargo.

The Company's mission is to build a leading full-service carrier, operating services to and from Italy, through the adoption of environmentally and economically sustainable and customer-oriented processes and solutions, in order to exploit the full potential of the travel and tourism market.

ITA adopts a data-driven approach and a lean organisation, whose foundations are based on the analysis and understanding of data and on the value of its human capital through agile working, in order to rapidly respond to the needs of its customers, consistently committed to operating with the utmost transparency, integrity and in full compliance with the law.

In light of its organisational structure and operations, the Company has preferred to adopt a so-called “conventional system” and based its corporate governance system on certain key principles, such as the central role played by the Board of Directors, the suitable and thorough management of any conflict-of-interest situations, transparency in communicating corporate management choices and the efficiency of its internal control system. Indeed, the values of loyalty, integrity and professionalism, and the principles and rules of conduct, are set out in detail in the Company's Code of Ethics, to which reference should be made.

The Board of Directors is vested with the broadest powers for the ordinary and extraordinary management of the Company and, in particular, exercises strategic oversight and has the power to perform all the actions it deems appropriate for the implementation and achievement of its purpose.

The Board of Statutory Auditors is tasked with the responsibility for supervising compliance with the law and the Articles of Association, as well as of supervising the management. However, it is not responsible for conducting audits of the Company’s accounts, which is the responsibility instead of a duly registered audit company.

The Board of Directors may established the following Committees:

- Control and Risk Committee
- Remuneration and Nominations Committee
- Related Parties Committee
- Sustainability and Scenarios Committee.

The above-mentioned Committees do not have decision-making powers but are tasked with providing non-binding advice to the Board of Directors and issuing opinions on the areas within their purview.

ITA's Internal Control System (ICS) consists of the set of rules, procedures and structures tasked with ensuring the proper functioning and good performance of the Company and guaranteeing:

- the efficiency and effectiveness of its business processes;
- adequate control of current and prospective risks;
- the timeliness of the company's information reporting system;
- the reliability and integrity of accounting and management information;

▪ the safeguarding of assets, also in the medium to long term;
▪ compliance of the company's activities with applicable regulations, company directives and procedures.

The Company's ICS views the risks and controls within the framework of an integrated and synergy-based rationale founded on the precise identification of the responsibilities of the various players and, above all, on the implementation of adequate and structured risk management mechanisms in line with the objectives set by the Board of Directors.

The set-up and management of the ICS is the responsibility of the top management, which reports periodically to the Board of Directors on the status of the system and on specific issues of relevance to its activities.

The top management therefore ensures the adequacy and efficiency of the ICS, adopting, where necessary, the best measures to ensure that the various components of the Company's organisation are functional and reliable.

Moreover, the Board of Directors is supported by the relevant corporate functions, specifically:

▪ Legal & Compliance
▪ Enterprise Risk Management
▪ Internal Audit.

The **Legal & Compliance Function**, among other things, is responsible for monitoring and assessing the adequacy, compliance and effective implementation of internal procedures, in order to prevent and detect instances of non-compliance with the provisions applicable to the Company (non-compliance risk).

The **Enterprise Risk Management Function** contributes to the definition of the risk management system, ensuring its proper operation, and verifies the compliance, adequacy and effectiveness of the measures taken to remedy the deficiencies found in the risk management system.

The **Internal Audit Function** is the third-tier control function and is responsible for providing an independent assessment of the effectiveness and efficiency of the ICS and, therefore, of the effective functioning of the controls designed to ensure that processes run smoothly.

GENERAL SECTION

1 Legislative Decree 231/2001

1.1 Purpose of the Decree

Legislative Decree No. 231 of 8 June 2001, relative to the *"Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality"* (hereinafter referred to as "Decree 231"), was issued in implementation of the delegation referred to in Article 11 of Law No. 300 of 29 September 2000, for the purpose of adapting domestic legislation to certain international conventions[1].

In force since 4 July 2001, Decree 231 introduced into the Italian legal system a new liability regime - termed "administrative", but characterised by essentially criminal profiles – for entities, legal persons and companies, arising from the commission or attempted commission of certain offences in the interest or to the advantage of

[1] Delegated Law No 300 of 29 September 2000 ratifies and implements several international regulations, drawn up on the basis of the Treaty of the European Union, including:

- the Convention on the Protection of the European Communities' Financial Interests (Brussels, 26 July 1995);
- the European Union Convention on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union (Brussels, 26 May 1997);
- the OECD Convention on combating bribery of foreign public officials in international business transactions (Paris, 17 December 1997).

the entities themselves. This liability stands alongside the criminal liability of the natural person(s) committing the offence.

The introduction of a new and autonomous type of "administrative" liability has made it possible to directly penalise the entities in whose interest or to whose advantage certain offences are committed by natural persons – the material perpetrators of the criminally relevant offence – who act for them.

Under Article 5 of Decree 231, the entity is liable for offences committed in its interest or to its advantage:

- by natural persons performing functions of representation, administration or management of such entities, or of any of their organisational units having financial and functional autonomy, as well as by natural persons exercising, de facto or otherwise, the management and control of such entities (e.g., directors and general managers);
- by natural persons subject to the direction or supervision of one of the above-mentioned persons (e.g., non-management employees).

In this regard, it is also worth noting that it is not necessary for Subordinates to have a subordinate working relationship with the Entity, since this notion should also include *"those employees who, although not <employees> of the Entity, have a relationship with it such as to suggest the existence of a supervisory obligation on the part of the top management of the Entity itself: for example, agents, partners in joint-venture operations, the so-called parasubordinates in general, distributors, suppliers, consultants, collaborators, etc." . d. parasubordinates in general, distributors, suppliers, consultants, collaborators*[2]*".*

In fact, according to the prevailing doctrinal direction, those situations in which a particular task is entrusted to external collaborators, who are required to perform it under the direction or control of Senior Persons, assume relevance for the purposes of the entity's administrative responsibility.

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

This form of liability is additional to that of the natural person who materially committed the act. By introducing the liability of entities for offences, the intention was to overcome the well-known maxim "Societas delinquere non potest", whereby companies are materially unable to commit offences, which previously prevented the association of the inspiring principles of criminal law with legal persons, by coining the concept of "organisational blame" of the entity that fails to put into place an adequate organisational structure capable of preventing offences of the kind that are committed.

1.2 Types of offences

The offences covered by Legislative Decree No. 231/01 that give rise to the administrative liability of entities are currently:

- Offences against the Public Administration (Articles 24 and 25 of Legislative Decree 231/01);
- Cybercrime and unlawful data processing (Article 24-bis of Legislative Decree 231/01);
- Organised crime (Article 24-ter of Legislative Decree 231/01);

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

- Counterfeiting money, public bonds, revenue stamps and identification instruments or signs (Article 25-bis of Legislative Decree 231/01);
- Offences against industry and trade (Article 25-bis.1. Legislative Decree 231/01);
- Corporate offences and bribery among private individuals (Article 25-ter of Legislative Decree 231/01);
- Terrorism or subversion of the democratic order (Art. 25-quater Legislative Decree 231/01);
- Female genital mutilation practices (Art. 25-quater.1 Legislative Decree 231/01);
- Offences against the individual (Art. 25-quinquies Legislative Decree 231/01);
- Insider trading and market manipulation (Article 25-sexies of Legislative Decree 231/01);
- Manslaughter and grievous or very grievous bodily harm committed in violation of the occupational health and safety regulations (Article 25-septies of Legislative Decree 231/01);
- Receiving stolen goods, money laundering, use of money, goods or benefits of unlawful origin, as well as self-laundering (Article 25-octiesD.Lgs. 231/01);
- Offences relating to the use of non-cash payment instruments (Article 25-octies.1 Legislative Decree 231/01);
- Copyright violations (Article 25-novies Legislative Decree 231/01);
- Inducement not to make or to make false statements to the judicial authorities (Article 25- decies of Legislative Decree 231/01);
- Transnational offences committed by criminal associations, money laundering, migrant smuggling, obstruction of justice (Law 146 of 16 March 2006, Articles 3 and 10);
- Environmental offences (Article 25-undecies of Legislative Decree 231/01);
- Employment of irregular migrants (Art. 25-duodecies Legislative Decree 231/01);
- Racism and xenophobia (Art. 25-terdecies of Legislative Decree 231/01);
- Offences relating to fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Article 25-quaterdecies of Legislative Decree 231/01);
- Tax offences (Article 25-quinquesdecies of Legislative Decree 231/01);
- Smuggling offences (Article 25-sexiesdecies of Legislative Decree 231/01);
- Crimes against cultural heritage (Article 25-*septiesdecies*);
- Laundering of cultural property and devastation and looting of cultural and scenic heritage (Article 25-*duodevicies*).

1.3 Offences committed abroad

The Entity is also liable for offences committed abroad.

In particular, based on the provisions of Article 4 of Decree 231, the Italian-based Entity may be held liable, in relation to offences committed abroad, if the following circumstances occur:

a) the offence must be committed abroad by a person who is functionally associated with the Entity (Article 5(1) of Decree 231);
b) the Entity must have its head office in Italy;
c) the Entity may be liable only in the cases and under the conditions provided for in Articles 7 (Offences committed abroad), 8 (Political offence committed abroad), 9 (Common offence committed by an Italian citizen abroad) and 10 (Common offence committed by a foreign citizen abroad) of the Criminal Code.

Entities are also liable for offences committed abroad, provided that the State where the offence was committed is not already engaged in prosecuting the Entity. In the event that the Minister of Justice is requested to punish the offender, proceedings are only brought against the Entity if the request is also made against the latter.

Moreover, in accordance with Article 10 of Law 146 of 2006, the Entity is liability for certain cross-border offences (such as, for example, criminal association, including mafia-type association, and criminal association for the purpose of drug trafficking and migrant smuggling).

In such cases, the unlawful conduct, committed by an organised criminal group, must be:

- committed in more than one country; or
- committed in one country but has substantial effects in another; or
- committed in one country, although a substantial part of its preparation or planning or direction and control takes place in another; or
- committed in one country, but with the involvement of an organised criminal group engaging in criminal activities in more than one country;

or any combination of the above.

1.4 Sanctions

If an Entity is found to have committed any of the above-mentioned offences, it can be ordered either:

- to pay a fine, applied on the basis of so-called "quotas" (under Italian law, the value of a quota is between €258 and €1,549), with the minimum fine applicable ranging between €25,800 and €1,549,000 (i.e. from a minimum of one hundred quotas to a maximum of one thousand quotas). It is up to the court to determine the precise number of quotas by taking into account the seriousness of the offence, the degree of liability of the Entity, and the measures, if any, put into place to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences; or
- to comply with an injunction – or "interdict" in Italian law – which can also be applied on a provisional basis, if certain conditions are met. The injunction issued by the court may provide for any of the following, namely:
  - the discontinuation of the Entity's operations;
  - the suspension or forfeiture of any authorisations, licences or concessions functional to the commission of the offence;
  - the prohibition to enter into procurement arrangements with the Public Administration;
  - the exclusion from facilitations, financing, contributions or subsidies and the possible forfeiture of any already granted;
  - the prohibition to advertise goods or services;
  - the confiscation of any proceeds from the offence;
  - the publication of the judgment.

Decree 231 provides for the reduction of the fine, between a third and a half, if, prior to the relevant trial proceedings:

- the Entity fully compensates any damage caused and remedies the harmful or dangerous consequences of the offence or takes any effective steps to do so;
- the Entity adopts and implements a suitable organisational scheme, to prevent the commission of offences similar to the offences in question (Art. 12).

Injunctions shall apply, in the cases exhaustively provided in Decree 231, only if at least one of the following conditions is fulfilled:

- the Entity has obtained a significant profit from the offence and the offence was committed by:

- senior management officers;
- subordinate personnel, as a result of or if facilitated by serious organisational shortcomings;

- the offence is repeated.

The amount of the fine and the type and duration of the injunction are established by the court, taking into account the seriousness of the offence, the degree of liability of the Entity and the measures, if any, put into place to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences.

Without prejudice to the provisions of Article 25, paragraph 5 of Legislative Decree 231/01, disqualifying sanctions have a duration of no less than three months and no more than two years; as an exception to the temporality, it is possible to apply disqualifying sanctions permanently in the most serious situations described in Article 16 of Legislative Decree 231/01.

Article 45 of Decree 231 provides for the application of the prohibitory sanctions indicated in Article 9, paragraph 2, on a precautionary basis when there are serious indications that the entity is liable for an administrative offence dependent on a crime and there are well-founded and specific elements that make one believe that there is a concrete danger, as indicated above, that offences of the same nature as the one for which one is being prosecuted will be committed. Finally, it should be pointed out that Legislative Decree 231/01 provides in Article 15 that in place of the application of the disqualification sanction that results in the interruption of the entity's activity, if there are particular prerequisites, the judge may appoint a commissioner for the continuation of the entity's activity for a period equal to the duration of the disqualification sanction.

1.5 The cases of exemption provided in Model 231

Article 6 of Legislative Decree 231/01 provides that, in the event of an offence committed by a senior manager, the Entity shall not be held liable if it can prove that:

- the management had adopted and effectively implemented, prior to the commission of the offence, such organisational and management schemes as are capable of preventing the offences from being committed;
- a specific body – vested with appropriate powers of inquiry and oversight – had been tasked with supervising the operation, effectiveness and application of the schemes and ensuring the updating thereof;
- the perpetrators of the offence acted by fraudulently circumventing the said organisation and management schemes;
- there was no omission or inefficient oversight by the competent supervisory body (as referred to in Article 6(1)(b) of Decree 231).

Therefore, the presumption of liability of the Entity is due to the fact that the senior management officers express and represent the Entity’s policies and therefore its will, so to speak. This clear inversion of the burden of proof laid down by Article 6 for senior management officers requires the Entity to prove the fulfilment of the four conditions set out above in order for it to be able to benefit from the exemption. In such a case, although the personal liability of the senior management officers involved remains, the Entity is not liable under Legislative Decree 231/01.

Regarding the liability of an Entity, Legislative Decree 231/01 provides for its exemption to the extent that the organisation, management and control models put into place are suited to preventing the commission of the offences referred to therein, and that the said schemes are adopted and effectively implemented by the management.

Article 7 of Legislative Decree 231/01 establishes that an Entity is administratively liable for the offences committed by subordinate personnel due to the management's failure to adequately comply with their supervisory duties and obligations. Such failure, however, is excluded if the Entity, prior to the commission of the offence, had adopted and effectively implemented an organisation, management and control model capable of preventing the offences from being committed.

2 Overview of the Organisation, Management and Control Model adopted by ITA

2.1 Purpose of the scheme

The Organisational, Management and Control Model of ITA (hereinafter also "Model 231") is a structured and organic set of principles, internal rules, operating procedures and control activities adopted in order to ensure that the Company performs its operations in a diligent and transparent manner, as well as for the purpose of preventing any behaviour likely to lead to the commission of the offences referred to in Legislative Decree 231/01 (as amended).

In particular, pursuant to Article 6(2) of Legislative Decree 231/01, the purpose of the Model 231 is to:

- identify all sensitive activities carried out by the Company, i.e. activities that could lead to the commission of offences, on the basis of a risk assessment approach;
- provide for specific protocols, set out in dedicated control procedures implemented by the Company, aimed at preventing the risks/offences capable of being assessed in abstract terms;
- provide the Supervisory Body with the necessary tools for conducting its monitoring and audit activities by: (i) defining the information flows (frequency, reporting tools, minimum contents, etc.) received from the persons tasked with control functions; (ii) describing the control activities and procedures so that they can be timeously verified, in accordance with the relevant activity plans;
- identify the methods for managing financial resources such as to prevent the commission of offences;
- put into place a disciplinary system suited to adequately penalising non-compliance with the scheme.

The Model 231 adopted by ITA aims to:

- strengthen the Company's governance;
- set up a structured and organic prevention and control system aimed at eliminating or minimising the risk of commission of the offences referred to in Legislative Decree 231/2001, whether effective or attempted, in relation to the company's operations, and in particular to eliminate or minimise any illegal conduct;
- raise awareness, among the resources working in the name and on behalf of ITA in the relevant "risk areas", about how to determine, in the event of the violation of any provisions of the Model 231, both the individual liability of the person(s) committing the offence and the liability of the Company, with criminal and administrative sanctions and negative repercussions on the Company's reputation;
- inform all the resources operating, in any capacity, in the name, on behalf or, in any case, in the interest of ITA that the violation of the provisions contained in the Model will entail the application of appropriate sanctions;
- reiterate that ITA will not tolerate unlawful conduct, regardless of the purpose pursued or the mistaken belief of acting in the interest or to the advantage of the Company, as such conduct is in any case contrary to the ethical principles which the Company intends to follow and, therefore, in conflict with its interests;
- censure any violations of the Model 231 and apply the appropriate disciplinary and/or contractual sanctions.

In consideration of the above, the Special Sections of the Model are aimed at ensuring the monitoring of the sensitive activities carried out by the Recipients (as defined in the following paragraph), in order to prevent the occurrence of the predicate offences referred to in Legislative Decree 231/01.

2.2 Recipients of the scheme

The Recipients (hereinafter referred to as "Recipients") of the Organisation, Management and Control Model, issued pursuant to Legislative Decree 231/01 by Italia Trasporto Aereo S.p.A., are listed below and undertake to comply with the contents thereof:

- the directors, corporate bodies and executives/managers of the Company (so-called senior management officers);
- the employees of the Company (so-called subordinate personnel);
- the freelance collaborators, consultants and, in general, self-employed persons, to the extent that they operate in the areas where sensitive activities are carried out, on behalf or in the interest of the Company;
- suppliers and partners (including any temporary groupings of undertakings and joint ventures) operating in a significant and/or continuous manner within the areas where so-called “sensitive activities” are carried out on behalf or in the interest of the Company and, more generally, all those parties having commercial and/or financial relations of any kind with the Company.

2.3 Background of the ITA Model

Consistently with its commitment to creating and maintaining a governance system that adheres to high ethical standards and, at the same time, to guaranteeing the efficient management of its operations and to ensuring their compliance with the applicable laws and regulations, ITA has adopted an Organisation and Management Model in compliance with the provisions of the Decree.

In particular, on 28 July 2021, following a fact-finding and analysis process, the Model was approved by the ITA Board of Directors.

Furthermore, on 12 August 2021, the Board of Directors appointed the Supervisory Body pursuant to the provisions of the Decree.

With a view to the ongoing improvement of the Model, and in light of the development of the Company’s organisation and the consolidation of its operations, ITA has updated the Model, of which this document is the latest version.

In particular, the Model was updated according to a multi-stage process, as described below.

A specific risk assessment was carried out by a specialised third-party consultant, which led to the identification/updating of the so-called “predicate" offences, deemed relevant for the purposes of the Decree, and the creation/updating of a list of possible "risk areas", understood as either specific areas or processes within the organisation at risk of the commission of the said predicate offences, in abstract terms.

The next step was to determine/update, for each of the said areas, the so-called “sensitive” activities taking place there, i.e. activities that could lead to the commission of the offences referred to in the Decree, as well as the relevant corporate functions.

The results of these activities are recorded in the document entitled “Map of Risk Areas”, attached hereto as Annex 2. Based on this Map, the controls currently in place for reducing the risk of offences being

committed were identified and analysed, according to a risk-based perspective, through individual interviews and workshops held with the Company's managers (so-called process owners).

These activities served as the basis for identifying any areas for improvement of controls (so-called "gap analysis") and the preparation of an Action Plan for strengthening the ICS relevant to the Decree. In particular, the Action Plan contains defined and shared timelines and ownership for the implementation and application of the suggested actions, as a result of the risk assessment activities.

Consistent with the outcome of the analyses, both the General and the Special Sections of the Model were comprehensively overhauled, and the Action Plan was implemented.

2.4 The Structure of the Model

Model 231 of ITA consists of:

- a **General Section**, describing the structure and key components of the Model 231, the procedures for its updating and adaptation, and the procedures for the training and adequate dissemination of the Model 231 to the various Recipients;
- several **Special Sections** illustrating, for each type of offence referred to in Decree 231, the criteria and/or general principles of conduct to which the Company organisation must conform, as well as the specific control principles adopted by ITA. The Special Sections also refer, again with reference to each type of offence, to the controls and protocols adopted to implement and integrate the criteria and/or principles of conduct, in order to reduce the risk of the commission of such offences to an "acceptable level";
- the following annexes:
    1. the **list of predicate offences**, including a legal analysis of the individual cases with examples of certain modes of commission;
    2. the **Map of Risk Areas,** containing an inventory of the areas of activity within the Company zpotentially at risk, i.e. the company areas/sectors in which it is possible – in abstract terms at least – that the prejudicial events envisaged by the Decree may occur;
    3. the **information flows to the Supervisory Body** (periodical or event-driven) that the designated company structures are required to send to the Supervisory Body to enable it to fulfil its duties.

The Special Sections indicated below represent the types of offences referred to in the Decree which, at the outcome of the updating activities of the latest risk assessment, were considered **most relevant** due to the sector of operations, organisation and processes that characterise the Company:

- **Special Section A**, addressing the "Offences against the Public Administration (Articles 24 and 25 of Legislative Decree 231/01) and the Inducement not to make or to make false statements to the judicial authorities (Article 25-decies of Legislative Decree 231/01)";
- **Special Section B**, addressing "Cybercrime and unlawful data processing (Article 24-bis of Legislative Decree 231/01)";
- **Special Section C**, addressing "Organised crime (Article 24-ter of Legislative Decree 231/01) and Terrorism or subversion of the democratic order (Art. 25-quater Legislative Decree 231/01) and Transnational offences (Article 10 of Law 146/06)";
- **Special Section D**, addressing "Corporate offences and bribery among private individuals (Article 25-ter of Legislative Decree 231/01)";
- **Special Section E**, addressing "Bribery among private individuals and instigation of bribery among private individuals (Article 25-ter letter s-bis of Legislative Decree 231/01)";
- **Special Section F**, addressing "Manslaughter and grievous or very grievous bodily harm committed in violation of the occupational health and safety regulations (Article 25-septies of Legislative Decree 231/01)";
- **Special Section G**, addressing "Receiving stolen goods, money laundering, use of money, goods or benefits of unlawful origin, as well as self-laundering (Article 25-octiesD.Lgs. 231/01) and Offences relating to the use of non-cash payment instruments (Article 25-octies.1 Legislative Decree 231/01)";
- **Special Section H**, addressing "Environmental offences (Article 25-undecies of Legislative Decree 231/01)";
- **Special Section I**, addressing "Tax offences (Art. 25-quinquiesdecies of Legislative Decree 231/01";
- **Special Section K,** addressing "Smuggling offences (Art. 25-sexiesdecies of Legislative Decree 231/01)".

To the individual types of offences listed above apply the general control principles described in the General Section, the Code of Ethics, and the general principles of conduct and specific control principles described in each Special Section.

The risk assessment activities have identified the following types of predicate offences which, although important, are nevertheless considered to be of **lesser significance**, in view of the specific nature of the business and business processes of ITA, namely:

- Article 25 bis (Counterfeiting money, public bonds, revenue stamps and identification instruments or signs);
- Article 25 bis 1 (Offences against industry and trade);
- Article 25d (Offences against the individual);
- Article 25 duodecies (Employment of irregular immigrants);
- Article 25 terdecies (Racism and xenophobia).

To these types of offences apply the general control principles described in the General Section, the Code of Ethics, and the general principles of conduct and control principles described in **Special Section L**.

Finally, the overall analysis of the Company's operations has led to the conclusion that the possibility of commission of the offences of female genital mutilation (referred to in Article 25 quater 1 of Legislative Decree 231/01), market abuse (referred to in Article 25 sexies of Legislative Decree 231/01) and fraud in sporting competitions, abusive gaming or betting and gaming being committed is reasonably remote. 231/01), insider trading and market manipulation (referred to in Article 25 sexies of Legislative Decree 231/01) and fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (referred to in Article 25 quaterdecies of Legislative Decree 231/01); of crimes against cultural heritage (Art. 25-septiesdecies of Legislative Decree 231/01); and of crimes of laundering of cultural property and devastation and looting of cultural and scenic heritage (Art. 25-duodevicies of Legislative Decree 231/01), in the latter two cases taking into account the current mapping of the processes that qualify the Company's activities) are **reasonably remote**.

2.5 the Code of Ethics

In addition to this General Section and to the Special Sections illustrated above, the Company's **Code of Ethics** is an integral part of the ICS implemented by ITA. It has been updated in its current version, approved by the Board of Directors of ITA on 08/10/2021 and subsequently on 09/06/2023.

The Code of Ethics is intended to promote and disseminate the Company's vision and mission, adopting a system of ethical values and rules of conduct that aims to foster the commitment to a morally proper conduct and compliance with the applicable laws and regulations by the senior management officers, the employees and all the third-party stakeholders involved in the Company's operations in any way. In particular, the Code of Ethics sets out:

- the vision, mission, ethical values and principles underpinning the corporate culture and management philosophy;
- the rules of conduct to be adopted in the performance of one's duties, as well as with internal and external stakeholders;
- the duties incumbent on each person, whether belonging to the senior management or in a non-management position, also with regard to whistleblowing, for which reference should be made to paragraph "*4.2 – Reporting channels*";

- reference to the sanctions applied in the event of violation of the rules set out in the Code of Ethics.

The values and ethical principles contained in the Code also aim to contribute to tackling the current social challenges, such as the achievement of the Sustainable Development Goals, inspired by the Guiding Principles on Business and Human Rights defined by the United Nations. To this end, ITA promotes constant attention to environmental, social and governance policies and issues, with the aim of ensuring the eco-sustainable development of the Company.

2.6 Updating and adapting ITA's Model 231

In accordance with the provisions of Article 6(1)(b) of Legislative Decree 231/01, the Supervisory Body is tasked to promote, through timely reporting to the Company's Board of Directors, the update of the Model 231. The updating/adaptation measures may be carried out in connection with any:

- regulatory developments;
- possible violations of the Model 231 and/or outcomes of audits on its effectiveness, or in accordance with the introduction of new or changed category guidelines and best practices or case law developments;
- changes in the Company's organisation, also as a result of extraordinary financial transactions or changes in strategy that open up new operational fields for the Company;
- verification of the effectiveness of the Model 231, i.e. the consistency between the Model and the concrete behaviour of the Recipients.

To this end, and in compliance with the role assigned to it by Article 6, paragraph 1, letter b) of Decree 231, the Supervisory Body, also with the support of the Company's functions, is required to inform the Board of Directors of the need to update/adapt the Model 231, communicating any information that has come to its knowledge and which may determine the need to update/adapt the Model 231, and also providing any indications as to any specific alterations or improvements to be made to the Model itself.

The task of updating the Model 231 is the responsibility of the Board of Directors, since the management is responsible for issuing the Model in the first place, in accordance with the provisions of Article 6(1)(a) of Decree 231. Subsequent amendments and additions (also due to changes in the relevant legislation and/or needs arising from organisational or structural changes in the Company) shall therefore be formally adopted by the Board of Directors.

Amendments or additions to the Model of a non-substantial nature may be made by the Legal & Compliance Department, which shall then inform the Board of Directors and the Supervisory Body.

2.7 The Communication and Training Plan

The Model 231 (and the Code of Ethics) is communicated in the following ways:

- to the internal staff (employees, new recruits, etc.): the Model 231 (General Section and Special Sections) and the Code of Ethics are published on the company intranet. All personnel are, therefore, adequately informed of the publication (and/or updating) of the said documents by means of a special notice sent to their email inbox;
- to the external parties (suppliers, freelance collaborators, consultants, etc.): the General Section of the Model and the Code of Ethics are published on the company website or made available to such parties by other means deemed appropriate. Moreover, the contracts entered into by the Company with third parties contain specific clauses providing for a commitment to comply with the ITA Code of Ethics and with the Model 231, under penalty of termination of the contract (express termination clause pursuant to Article 1456 of the Civil Code).

The information and training activities of the Recipients of the Model are supervised by the Supervisory Body, which receives specific information flows in this regard from the Company functions. In particular, the Company guarantees the scheduling and delivery of training programmes, ensuring and monitoring their frequency, according to the position and role of the trainees, as follows:

- management personnel and personnel responsible for representing the entity: initial general classroom training will be provided and, subsequently, specific training, also for newly recruited staff members, as well as periodic updates in the event of significant amendments to the Model 231, or in the event of the introduction of further predicate offences. The Supervisory Body is therefore required to verify:
  - the quality of the courses;
  - the frequency of updates;
  - the effective attendance by staff.

  The training courses should include:
  - an introduction to the Confindustria regulations and Guidelines, which inspire ITA's Model 231;
  - an in-depth study of the principles contained in the Code of Ethics and the General Section of the Model 231;
  - a detailed description of the structure and contents of the Special Section of the Model 231;
  - a description of the role played by the Supervisory Body;
  - a description of the sanctions system.
- non-management staff involved in sensitive activities: a training course will be organised, the contents of which are similar in nature and extent to those described above. The Supervisory Body is tasked with verifying the suitability of this training course and its actual implementation, including the attendance of newly recruited persons or staff members changing position in the organisation, such as to require re-training;
- non-management staff not involved in sensitive activities: an internal memo will be distributed to all current employees and any new recruits. The Supervisory Body is tasked with verifying the adequacy of the memo and its effective communication;
- external parties: information activities regarding Model 231 should also target external parties involved with the Company in any way. To this end, the Company shall endeavour to make sure that all its partners, in any capacity, are made aware by way of the most appropriate means (e.g.: memos, ad hoc clauses in contracts) of the Code of Ethics and the principles and rules contained in the Model 231, as well as the applicable Company Procedures, knowledge of which by the Partners is deemed necessary.

Participation in the above training programmes is mandatory, and the HR and Legal & Compliance Functions are responsible for monitoring actual attendance. The latter will be responsible for informing the Supervisory Body of the outcome of these activities

3 The Supervisory Body

3.1 The Regulatory context

Regarding the senior management officers, Article 6(1)(b) provides that the task of "supervising the operation of and compliance with the schemes and ensuring that they are kept up to date" should be made the responsibility of "a body of the Entity vested with independent decision-making and control powers".

Although there is no express regulatory reference to actions by subordinate staff members for effectively implementing the Model, Article 7(4)(a) requires the periodical revision and possible amendment of the Model

if any significant violations of the provisions are found or changes occur in the organisation or its operations. This activity is typically classed among the duties of the Supervisory Body.

The Supervisory Body is the body tasked with the supervision of the Model 231, in terms of control of the ethical, organisational and management procedures.

3.2 Appointment and removal from office

The Supervisory Body is appointed by special resolution passed by the Board of Directors.

The instrument appointing the Supervisory Body shall describe the criteria for the identification, organisation and membership of the body or function tasked with the role of "Supervisory Body", as well as the underlying reasons.

The members of the Supervisory Body shall meet the requirements of good repute and integrity. The following shall be considered grounds for ineligibility:

- directly or indirectly holding an interest in the Company large enough to exercise control of or a significant influence over the Company;
- being closely related to any Company executives or to persons in the circumstances referred to in the preceding points;
- being disqualified, incapacitated or bankrupt;
- having been subject to criminal proceedings for any of the offences referred to in Legislative Decree 231/01;
- having requested the application of and consented to a sentence, by agreement of the parties, pursuant to Article 444 of the Code of Criminal Procedure for any of the offences referred to in Legislative Decree 231/01;
- having been convicted with a final judgment pursuant to Article 648 of the Code of Criminal Procedure:
  - for offences related to the performance of their duties;
  - for offences significantly impairing their professional integrity;
  - for offences leading to disqualification from public office, from management positions in companies and legal persons, from a profession or an craft, as well as being barred from entering into contracts with the Public Administration;
  - and, in any case, for having committed one of the offences referred to in Legislative Decree 231/01;
- in any case, in order to safeguard the key requirements of the Supervisory Body, from the moment in which a member is notified of the commencement of criminal proceedings pursuant to Articles 405 and 415 bis of the Code of Criminal Procedure and until a judgement of acquittal is passed pursuant to Article 425 of the Code of Criminal Procedure or, if prosecuted, until acquittal pursuant to Articles 529 and 530 of the Code of Criminal Procedure; this cause of ineligibility applies exclusively to criminal proceedings for the offences referred to in the preceding point.

The appointment must also specify the relevant term, considering that it is made for a fixed term with the possibility of renewal. The term of office is, as per practice, three years. the Supervisory Board, upon the expiration of its term, remains in office under prorogatio until reappointment or renewal.

The appointment must also provide for the relevant remuneration, except in the case of appointment of members of other bodies or functions for which the supervision of the adequacy and actual operation of the internal control system is a predominant part of their duties, since the Model 231 – according to the most authoritative legal doctrine – is an integral part of the internal control system.

The member of the Supervisory Body ceases to be a member when he or she resigns, becomes incapacitated for any reason, dies or is dismissed.

Members of the Supervisory Body may be dismissed only for just cause, and such should be understood to include, but not be limited to, the following:

- the case in which the member is involved in a criminal trial involving the commission of a crime that may affect the requirements of honorability;
- gross negligence in the performance of duties related to the position;
- the possible involvement of the Company in a proceeding, criminal or civil, which is related to an omitted or insufficient supervision, including culpable, by the Supervisory Board:
- in the event of their repeated failure to perform their duties or for unjustified inactivity;
- in the event the Company is served with an injunction, due to the inactivity of the member of the Body;
- when violations of the Model 231 are found by the Recipients and there is a failure to report such violations and to verify the suitability and effective implementation of the Model in order to recommend possible amendments.

Should a cause for disqualification or ineligibility arise during the course of the appointment, the member of the Supervisory Board is required to inform the Board of Directors immediately.

The decision to dismiss the Supervisory Body member shall be taken by Board of Directors, subject to the non-binding opinion of the Board of Statutory Auditors.

In the event of resignation, incapacitation for any reason, death or dismissal of the member of the Supervisory Body, the Board of Directors shall waste no time in taking the appropriate decisions.

3.3 Key requirements

In view of the specific nature of its tasks, of the provisions of Legislative Decree 231/01 and of the Guidelines issued by Confindustria, the choice of the in-house body vested with independent decision-making and control powers shall take place (and, indeed, has taken place) in such a manner as to ensure that the Supervisory Body fulfils the requirements of autonomy, independence, professionalism and continuity of action that Legislative Decree 231/01 requires for this function.

In particular, also in consideration of the said Confindustria Guidelines, the relevant requirements may be further qualified as follows:

a) Autonomy

The Supervisory Body is vested with decision-making autonomy.

The Supervisory Body is autonomous with respect to the Company, i.e., it is not involved in any way in its operational or management activities. Moreover, the Supervisory Body is able to perform its role without direct or indirect conditioning by the controlled entities. The activities carried out by the Supervisory Body cannot be reviewed by any other corporate body or structure.

The Supervisory Body is also autonomous in a regulatory terms, i.e., it can establish its own behavioral and procedural rules - to be incorporated into special internal operating regulations approved by the Supervisory Board itself within the scope of the powers and functions determined by the Model itself.

b) Indipendence

The independence of the Supervisory Body is a necessary condition of non-subordination to the Company , and is embodied in the following principles:

- control activities are not subject to any form of interference and/or conditioning by internal parties of the Company;
- the Supervisory Board reports directly to the Company's top operational management, i.e., to the Board of Directors, with the possibility of reporting directly to the Shareholders and Statutory Auditors;
- the Supervisory Board has not been assigned operational tasks, nor does it participate in operational decisions and activities in order to protect and ensure the objectivity of its judgment;
- the Supervisory Board is, in addition, provided with adequate financial resources necessary for the proper performance of its activities;
- the rules of internal operation of the Supervisory Board are defined and adopted by the Board itself..

c) Professionalism

The Supervisory Body shall be professionally capable and reliable.

Therefore, its members must possess the technical and professional skills appropriate to the functions they are tasked with performing, in particular, legal, accounting, business, organisational and occupational health and safety skills are required.

In particular, legal knowledge, specific skills in inspection and consultancy activities, such as, for example, risk analysis and risk assessment techniques, interviewing techniques and conducting audits, and fraud detection methodologies must be ensured.

These characteristics, combined with the body's independence, are aimed at ensuring its objectivity of judgement.

d) Continuity of action

The Board of Directors evaluates the continued existence of the above requirements and conditions for the operation of the Supervisory Board, as well as that the members of the Supervisory Board possess the subjective requirements of honorability and competence and are not in situations of conflict of interest in order to further ensure the autonomy and independence of the Supervisory Board.

In order to guarantee the effective and constant implementation of the Model 231, the Supervisory Body shall operate uninterruptedly and, therefore, the operational solutions it adopts shall be such as to guarantee continuous commitment to the effective and efficient performance of its institutional tasks.

3.4 Role of the Supervisory Body within the Company's organisation

Article 6 of Legislative Decree No. 231/01 requires the Supervisory Body to be a part of the organisational structure of the Company, in such a manner as to enable it to be constantly informed about the Company's operations and to necessarily liaise and coordinate with the other corporate bodies.

The Supervisory Body, therefore, is a function that is appointed by and supports the Board of Directors.

Constant information flows should also be ensured between the Supervisory Body and the Board of Directors.

3.5 Membership

Applying all the aforementioned principles to the Company's organisation, and in view of the specific nature of the tasks assigned to the Supervisory Body, the Company appoints the Supervisory Board, preferably in a

collegial composition, considering the organizational complexity and the actual scope of risk mapping considered in Model 231.

The Supervisory Body has the right to appoint its own secretarial office, authorised to perform operational support activities, within the framework of its full decision-making autonomy.

The tasks that may be delegated externally are those relating to the performance of all technical activities, without prejudice to the obligation incumbent on the function – or on any other external party designated to support it – to report to the Supervisory Body. Clearly, in fact, this type of delegation does not affect the responsibility of the entity's Supervisory Body with regard to the supervisory function granted to it by law.

3.6 Duties and responsabilities

The Supervisory Body shall perform the tasks provided in Articles 6 and 7 of Legislative Decree 231/01, namely:

a) Supervisory and control activities;
b) monitoring activities, with regard to the implementation of the Code of Ethics;
c) activities for adapting / updating the Model 231;
d) reporting to corporate bodies.

a) Supervisory and control activities

The primary function of the Supervisory Body is the ongoing supervision of the operation of the Model 231. The Supervisory Body therefore is tasked with exercise oversight in respect of:

- compliance with the provisions of the Model 231 by the Recipients, in relation to the different types of offences referred to in Legislative Decree 231/01;
- the actual effectiveness of the Model 231, in relation to the Company's organisation and its actual capacity to prevent the commission of the offences under Legislative Decree 231/01.

In order to adequately perform this function, the Supervisory Body shall conduct periodical checks of the individual areas assessed as sensitive, verifying the actual adoption and correct application of the protocols, the preparation and regular filing of the documentation envisaged in the said protocols, and the overall efficiency and functionality of the measures and precautions adopted in the Model 231, with respect to preventing the commission of the offences envisaged by Legislative Decree 231/01.

In particular, the Supervisory Body is tasked with:

- verifying the actual adoption and proper application of the control protocols provided in the Model 231. Moreover, the control activities are first and foremost the responsibility of the Company personnel responsible for the tier one controls, and are considered an integral part of every company process;
- carrying out, if necessary also with the operational support of specific corporate functions and/or external professionals, periodical monitoring inspections, within the scope of the sensitive activities, the results of which shall then be summarised in an ad hoc report referred to in the communications to the corporate bodies, as described below;
- collecting, processing and storing information relevant to compliance with the Model 231;
- monitoring the initiatives for disseminating knowledge and understanding of the Model 231;
- supervise the suitability of the disciplinary system in light of Decree 231 as well as its application;
- monitor compliance with the methods and procedures set forth in the Model, noting any behavioral deviations also based on the analysis of information flows and reports received;

- receive and manage reports from company representatives, employees of the Company or third parties in relation to any critical aspects of the 231 Model, violations thereof and/or any situation that may expose ITA to the risk of crime and this in accordance with the 231 Model itself including the whistleblowing procedures adopted by the Company.

b) Monitoring activities, with regard to the implementation of the Code of Ethics

The Supervisory Body monitors the application of and compliance with the Code of Ethics, and supervises its dissemination, understanding and implementation.

The Supervisory Body recommends the updating of the said Code of Ethics to the Board of Directors, if necessary.

c) Activities for adapting / updating the Model 231

The Supervisory Body is also tasked with assessing whether to suggest changes to the Model 231 to the Board of Directors, should it be necessary as a result of:

- significant violations of the requirements of the adopted Model 231;
- significant changes in the organisation of the Company, or in the manner in which it conducts its business activities;
- regulatory changes or developments.

d) Reporting to corporate bodies

The Supervisory Body shall constantly report to the Board of Directors. The Supervisory Body reports to the Board of Directors:

- where necessary, on the formulation of proposals for possible updates and adjustments of the adopted Model 231;
- immediately, with regard to the finding of any violations of the Model 231, in cases where such violations may result in the liability of the Company, so that appropriate action may be taken. In cases where it is necessary to take appropriate measures against any directors, the Supervisory Body is required to inform the Board of Directors and the other corporate bodies;
- periodically, by means of an information report, at least twice a year, with regard to the verification and control activities carried out and their outcome, as well as in relation to any critical issues that have emerged in terms of any conduct or events that may have an effect on the adequacy or effectiveness of the Model 231.

The Supervisory Body may be called at any time by the Board of Directors or may itself submit a request to meet with the Board of Directors, to report on the operation of the Model 231 or on specific occurrences.

The Board of Directors, also by means of an operational support, shall inform the Supervisory Body of any resolutions concerning organisational and corporate changes and important operations that require the updating of the Model 231.

Moreover, the Supervisory Body shall liaise periodically with the Board of Statutory Auditors, with respect to the control areas of common interest. While respecting their mutual autonomy, the Supervisory Body shall inform the Board of Statutory Auditors, at the latter's request, on the observance and updating of the Model 231.

3.7 Managing Information Flows

In order to enable control and supervisory activities, information flows to the Supervisory Body must be activated and maintained.

It is therefore necessary for the Supervisory Body to be constantly informed of what is happening within the Company and of any aspect relevant to the performance of its activities.

The obligations to provide information to the Supervisory Body guarantee an orderly performance of the supervisory and control activities on the effectiveness of the Model 231 and concern, on a periodical and event-driven basis, the information, data and news specified in Annex 3 ("Information Flows"), or further identified by the Supervisory Body and/or requested by it from the individual functions of the Company.

The Information Flows to the Supervisory Board are defined by the Supervisory Board in a specific document (so-called "Outline of Information Flows to the Supervisory Board"), updated periodically (by way of example, in the event of organizational changes or updating of the 231 Model) and transmitted to the Recipients of the 231 Model by the Company, and are pertaining to specific issues, having a correlation with the provisions of D. Lgs. no. 231/01 (and, specifically, with the offenses-231 therein provided for) and with what is included in the 231 Model, in relation to the so-called "sensitive" activities inherent in the processes pertaining to the corporate functions included in the mapping of risks of the 231 Model itself.

The Information Flows to the Supervisory Board are divided into "periodic" Information Flows, the sending of which to the Supervisory Board must take place on a final basis in accordance with the timetable indicated in the aforementioned Template; and "event-based" Information Flows, the sending of which must instead be carried out promptly in the event of specific occurrences.

Specifically:

- **periodic Flows**, having quarterly, semi-annual and/or annual periodicity, must be promptly sent by the owner directly to the Supervisory Board at the end of the reporting period;
- **event-based Flows** must be sent to the Supervisory Board without delay at the time when the event that is the subject of the Flow itself occurs and, conversely, if such an event does not occur, the *owner* of the relevant Flow must send, *[on a periodic basis not exceeding quarterly]*, a negative statement, provided to confirm to the Body the absence of events of the kind of those deemed relevant.

The obligations to provide information to the Supervisory Body also concern, on an occasional basis, any other information of any kind relevant to the implementation of the Model 231 in the areas of sensitive activities, as well as compliance with the provisions of Legislative Decree 231, which may be useful for the performance of the tasks of the Supervisory Body and, in particular, on an obligatory basis:

- information on the actual implementation of the Model 231, at all levels of the Company, with evidence of any sanctions applied or of any orders to dismiss sanction proceedings, with the relevant reasons;
- the emergence of new risks in the areas under the responsibility of the various managers;
- any reports prepared by the various managers as part of their control activities, from which facts, actions or omissions may emerge with critical profiles, relative to compliance with the provisions of Decree 231 or the provisions of the Model 231;
- any anomalies, atypical circumstances found or findings by the corporate functions of the control activities put in place to implement Model 231;

- measures and/or information from judicial police bodies, or from any other public authority, from which it can be inferred that investigations are under way for offences referred to in the Decree 231, even against unknown persons;
- internal reports from which liability for criminal offences emerge;
- reports or requests for legal assistance forwarded to the Company by senior management officers or subordinate staff members, in the event of legal proceedings initiated against them for any of the offences referred to in Legislative Decree No. 231/01;
- reports by senior management officers or subordinate staff member of alleged cases of violations and non-compliance with specific rules of conduct, or of any suspicious behaviour with reference to the offences set out in Legislative Decree 231/01;
- reports by freelance collaborators, agents and representatives, consultants and, in general, self-employed persons, by suppliers and business partners (including in the form of a temporary groupings of undertakings or joint ventures), and, more generally, by all those who, for whatever reason, operate within the so-called sensitive areas of activity on behalf of or in the interest of the Company.

Violation of the obligations to provide information to Supervisory Board, constitutes "omissive behavior," which can be evaluated in the same way as formal violation of Model 231 and, as such, is a prerequisite for the application of the Disciplinary System, which is an integral part of Model 231 itself.

The Supervisory Body is not obliged to verify all the circumstances referred to in a precise and systematic manner; it is therefore not obliged to act every time there is a report, since it is left to the discretion and responsibility of the Body itself to assess the specific cases in which it is appropriate to initiate more detailed checks and interventions.

With regard to the procedures for the transmission of reports by senior management officers or subordinate staff members, it is emphasised here that the obligation to inform the employer of any conduct contrary to the Model 231 is part of the broader duty of diligence and duty of loyalty of all employees. Consequently, the fulfilment of the duty to inform by employees cannot give rise to the application of disciplinary sanctions. On the other hand, any improper information, in terms of both content and form, as a result of slanderous intent, will be subject to appropriate disciplinary sanctions.

In particular, the following requirements apply:

- information and reports from any persons, including those relating to any breach or suspected breach of the Model 231, its general principles and the principles enshrined in the Code of Ethics, must be made in writing (whether anonymously or otherwise). The Supervisory Body shall act in such a way as to ensure that the authors of any reports are not subjected to any form of retaliation, discrimination or penalization, or any consequence arising therefrom, ensuring the confidentiality of their identity, however without prejudice to the applicable legal obligations and the protection of the rights of the Company or of persons accused wrongly and/or in bad faith;
- information and reports must be sent by the person concerned directly to the Supervisory Body;
- the Supervisory Body shall assess the reports it receives; all the Recipients of the reporting obligations are required to collaborate with the Board, in order to enable it to collect all the additional information deemed necessary for the proper and complete assessment of the report.

Information flows and reports shall be stored by the Supervisory Body in a special computer database and/or paper archive. The data and information stored in the database can be made available to any non-members of the Supervisory Body with the latter's authorisation, unless access is compulsory by law. The latter shall define,

by way of an ad hoc internal provision, the criteria and conditions for accessing the database, as well as the storage and protection of data and information, in accordance with the applicable regulations.

For a more detailed examination of information flows to the Supervisory Body, see Annex no. 3) of the Special Section of the Model.

3.8 Powers

The main powers of the Supervisory Body are self-regulation and the definition of its internal operating, supervisory and control procedures.

With regard to its powers of self-regulation and the definition of its internal operating procedures, the Supervisory Body has exclusive competence in respect of:

- how it records its activities and decisions;
- the methods for communicating and liaising with each corporate structure, as well as for collecting information, data and documentation from the corporate structures;
- the arrangements for coordinating with the Board of Directors and participating in the meetings of the said bodies, at the initiative of the Body itself;
- how it organises its supervisory and control duties and how it reports on the results of its activities.

With regard to its supervisory and control powers, the Supervisory Body:

- has free and unconditional access to all the functions of the Company – without the need for prior consent – in order to obtain any information or data deemed necessary for the performance of the tasks provided in Legislative Decree 231/01;
- may freely dispose, without any interference, of its initial and period budgets, in order to meet any requirements necessary for the proper performance of its tasks;
- may, if deemed necessary, request the support and assistance of any of the Company structures, under its direct supervision and responsibility;
- likewise, it may, subject to its full decision-making autonomy, if any specific skills are required and in any case in order to professionally perform its tasks, request support and assistance from any operating units of the Company, or even the collaboration of outsourced professionals, using its own budget for the period for this purpose. In these cases, the outsourced personnel shall operate in a mere consultancy capacity;
- may report a breach, in accordance with the rules laid down in the Sanctions System adopted pursuant to Legislative Decree no. 231/01, having conducted appropriate investigations and checks and having questioned the perpetrator, it being understood however that the process of formal notice and application of any sanctions is reserved to the employer.

3.9 Remuneration of the Supervisory Body and Financial Resources

The remuneration of the members of the Supervisory Body is established at the time of their appointment by the Board of Directors or by subsequent resolution.

The Supervisory Body shall be provided with adequate financial and logistical resources enabling it to operate. The Board of Directors of the Company shall provide adequate funds, to ensure that it is vested with effective autonomy and capacity, which shall be used exclusively for the expenses it incurs in the performance of its duties. The Supervisory Body is required to submit a detailed account, in its periodical report to the Board of Directors, of the use it makes of this fund or of the need to supplement it in the following year.

4 Whistleblowing

4.1 Regulatory framework

The Italian Parliament adopted a whistleblowing law in 2017 (Law No. 179 of 30 November 2017, containing "Provisions for the protection of whistleblowers reporting the commission of offences or wrongdoings which they become aware of in connection with their work in the public or private sector").

Following the introduction of the said law, Legislative Decree 231/2001 introduced provisions aimed at protecting whistleblowers in the private sector. In particular, Article 6 2bis[3] provides that the Organisation and Management Model must provide for:

- one or more channels that enable directors and employees, ensuring that their identity remains confidential, to act by way of safeguard to the company's integrity in presenting particularised reports of unlawful conduct relevant to Legislative Decree 231/2001, based upon precise and consistent factual evidence, or of breaches of the Manual 231 itself, where they have become so aware by reason of the duties they have performed;
- at least one other reporting channel, with information technology equally capable of ensuring that the whistleblower's identity remains confidential;
- the prohibition of any acts of retaliation or discrimination against the whistleblower, for reasons directly or indirectly linked to the reporting;
- sanctions against any person who breaches the whistleblower protection measures, as well as any whistleblower who acts wilfully, or with gross negligence, in making a report that turns out to be unfounded.

In the public sphere, Law 179/2017 introduced Article 54 bis of Legislative Decree 165/2001 *for protecting whistleblowers in the private sector* as well, which provides that:

"a public employee who, in the interest of the integrity of the public administration, reports to the "person responsible for preventing corruption and transparency" (pursuant to Article 1, paragraph 7, of Law No 190, 6 November 2012), or to the National Anti-Corruption Authority (ANAC), or by complaint to the ordinary judicial authority or the accounting authority, unlawful conduct of which they have become aware due to their employment relationship, cannot be sanctioned, demoted, dismissed, transferred, or subjected to any other organisational measure with detrimental effects, direct or indirect, on their working conditions determined by the report. The adoption of measures deemed to be retaliatory, referred to in the first sentence, against the whistleblower shall in any case be communicated to ANAC by the interested person or by the most representative trade unions in the administration in which the measures were implemented. The ANAC shall inform the Department of the Civil Service of the Presidency of the Council of Ministers or the other guarantee or disciplinary bodies for the activities and any measures within its purview".

Article 3 of Law 179/2017 on whistleblowing, aimed at protecting any whistleblowers who report offences or wrongdoings of which they become aware in the context of a public or private employment relationship, provides, under the heading *"Integration relative to the obligation of business, professional, scientific and industrial secrecy"*, that:

- in the event of a report or complaint made in the manner and according to the limitations set out in Article 54-bis of Legislative Decree No. 165 of 30 March 2001 (relating, however, to the protection of the public employee who reports misconduct), and Article 6 of Legislative Decree No. 231 of 8 June 2001, as amended by this law, the pursuit of the interest of the integrity of public and private organisations, as well as the

[3] This article has since been amended by Law of 30 November 2017, no. 179, on the matter of whistleblowing, OJ no. 291 of 14 December 2017, in force since 29 December 2017.

prevention and repression of embezzlement-related offences, constitutes just cause for the disclosure of information covered by the obligation to secrecy as laid down in Articles 326, 622 and 623 of the Criminal Code and Article 2105 of the Civil Code;

- the provision referred to in paragraph 1 does not apply where the obligation of professional secrecy attaches to a person who has become aware of the information by reason of a professional advisory or assistance relationship with the body, firm or natural person concerned;
- when information and documents that are communicated to the body designated to receive them are subject to business, professional or official secrecy obligations, disclosure in a manner exceeding the purpose of eliminating the offence and, in particular, disclosure outside the communication channels specifically provided for that purpose, shall constitute a breach of the relevant obligation of secrecy.

The obligation to report any suspicious conduct to the employer is already envisaged within the broader duty of due diligence and loyalty of employees and, therefore, the proper fulfilment of their reporting obligations must not determine the application of disciplinary sanctions, except in cases where the report is made for a slanderous intent or is based on bad faith, wilful misconduct or gross negligence. In order to ensure the effectiveness of the whistleblowing system it is therefore necessary for the Entity to provide accurate information to all its employees, and other persons who collaborate with it, with regard to the procedures and regulations adopted by the company and the activities at risk, as well as the knowledge, understanding and dissemination of the objectives and the spirit in which the report should be made.

In order to ensure the implementation of the provisions relative to employees' duty of loyalty and to the whistleblowing law, it is necessary to include in the Organisation, Management and Control Model a system for adequately handling reports of wrongdoing and which protects the identity of the whistleblower and associated right to confidentiality, as well as specific provisions within the disciplinary system aimed at sanctioning any acts of retaliation and discriminatory attitudes against the whistleblower.

On March 30, 2023, Legislative Decree No. 24 of March 10, 2023, "implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons who report breaches of Union law and laying down provisions regarding the protection of persons who report breaches of national regulatory provisions" (published in the Official Gazette, General Series No. 63 of March 15, 2023), introducing a structured discipline to ensure the protection of whistleblowers or "whistleblowers," i.e., persons who report violations of national or European Union regulatory provisions that harm the public interest or the integrity of the Public Administration or private entity, of which they have become aware in a public or private employment context.

Pursuant to the aforementioned Decree, in addition to conduct that could constitute the commission of one or more relevant offenses under Legislative Decree 231/2001 or constitute a violation of the Model, individuals who report conduct that constitutes a violation of national or European legislation are also worthy of protection.

In particular, Article 3 of Legislative Decree 24/2023 stipulates that the protective measures also extend to:

- to self-employed workers, as well as holders of a collaborative relationship, who carry out their work activities at entities in the public or private sector;
- to workers or collaborators, who carry out their work activities with entities in the public or private sector that provide goods or services or perform works for third parties;
- to freelancers and consultants, who perform their activities at entities in the public or private sector;
- to volunteers and trainees, whether paid or unpaid, who serve in the public or private sector;

- to shareholders and persons with functions of administration, management, control, supervision or representation, including when such functions are exercised on a de facto basis, with entities in the public or private sector;
- to facilitators, i.e., those who provide assistance to the worker in the reporting process;
- to persons in the same work environment as the reporting person or the person who has made a complaint to the judicial or accounting authority or the person who has made a public disclosure and who are related to them by a stable emotional or kinship relationship within the fourth degree;
- to co-workers of the whistleblower who work in the same work environment as the whistleblower and who have a regular and current relationship with said person;
- to entities owned by the whistleblower or for which the same persons work, as well as entities that work in the same work environment as the aforementioned persons.

In accordance with the above, the Company has adopted a specific Whistleblowing Policy, aimed at regulating the organizational and procedural aspects of the reporting of wrongdoing and indicating the protections in favor of ITA employees who, having become aware of it, by reason of their employment relationship, report to the Company itself, to the ANAC or to the Judicial Authority unlawful or irregular facts and conduct to the detriment of the public interest.

In accordance with the provisions of the aforementioned Policy, the whistleblower is held exempt from prejudicial consequences in disciplinary matters and protected in the event of the adoption of prejudicial acts affecting his or her working conditions.

With respect to the whistleblower, therefore, no form of retaliation or discriminatory measures, direct or indirect, affecting working conditions for reasons directly or indirectly related to his or her reporting is allowed or tolerated.

The protection finds application when the conduct of the employee who makes the report does not constitute the offense of slander or defamation, being in good faith in any case.

It does not, on the other hand, find application when the report contains false information and if it is made with malice or gross negligence.

In the latter hypotheses, the conditions of protection cease only in the presence of a judgment, even of first instance, unfavorable to the reporter, for cases of liability on the grounds of slander or defamation or for the same title under Article 2043 of the Civil Code.

4.2 Whistleblowing channels

Notwithstanding the above, consistently with the best practices on the matter and with the said Law no. 179 of 30 November 2017 (the so-called *"Whistleblowing Law"*), ITA has adopted a specific policy to regulate:

- the process of receiving, analysing and processing whistleblowing reports;
- the manner in which the relevant investigation is handled, in compliance with the privacy law, or other legislation in force in the country where the events reported on occurred, applicable to the whistleblower and the subject-matter of the report.

This Procedure also identifies the roles, responsibilities and scope of application. The person designated to handle the whistleblowing report assessment process, within the context of the Model 231, is the Supervisory Body, which exercises its functions over the Company.

ITA, in order to facilitate the transmission of whistleblowing reports, has put into place the following alternative official channels:

- email: organismodivigilanza@ita-airways.com;
- IT platform, accessible by all Whistleblowers (Employees, Third Parties, etc.) at the following link: https://itaairways.integrityline.com.

This digital platform does not replace the other whistleblowing channels but serves the purpose of broadening the manner in which a report may be filed and allows anyone (employees and collaborators, suppliers and any other person who has had or intends to have business relations with the Company) to report cases of unlawful conduct or wrongdoings, the violation of regulations, breaches to the Model 231, violations of the Code of Ethics, violations of company procedures and rules in general.

In particular, the whistleblower, while having to register on the platform, has the option of making unnamed reports, since the relevant access credentials, where present, are kept, protected and accessible exclusively by the third party managing the platform and are not associated with the report submitted to ITA.

Should the reports transmitted via the platform be deemed relevant for Model 231 purposes, it will be the duty of the Compliance Function to promptly forward the said reports (and the supporting documentation) to the Supervisory Body for its assessment.

If the Supervisory Body believes that the Model 231 whistleblowing report is grounded and effectively presents a breach of the Model 231, it shall notify the Employer for the purpose of initiating disciplinary proceedings against the employee concerned, pursuant to Article 7 of the Workers' Statute and in full compliance with the adversarial principle (which consists in allowing each of the parties to contest the statement of facts and the legal grounds brought against them), taking into account the specific legal status of the person against whom the proceedings are being brought (senior management officer, subordinate staff member or collaborator of the Entity).

In view of the necessary involvement of the Supervisory Body in the procedure for the application of disciplinary sanctions, at the end of the preliminary investigation phase it shall issue a non-binding opinion on the type and extent of the sanctions to be applied in the specific case.

In any case, the Supervisory Body shall collect and store all whistleblowing reports in a special electronic database and/or paper archive. The data and information stored in the said database/archive may be made available to persons outside the Supervisory Body only with the latter's prior authorisation, unless access is required by law.

In order to ensure the confidentiality of the identity of the whistleblower, the Supervisory Body and the persons appointed to support it, must undertake to maintain the strictest confidentiality on the reports and not to disclose any information they may have learnt in the course of their duties. In particular, the Supervisory Body shall act in such a way as to protect the whistleblowers against any form of retaliation, discrimination or penalisation and, more generally, against any detrimental consequences whatsoever, ensuring the utmost confidentiality with regard to the whistleblower’s identity. In any case, the obligations required by law and the protection of the rights of the Entity or of any persons wrongly and/or in bad faith and/or slanderously accused shall remain unaffected.

4.3 The nullity of retaliatory and discriminatory measures taken against the whistleblower

A whistleblower has the option of reporting the adoption of any discriminatory measures against him/her to the National Labour Inspectorate, in addition to his/her right to directly contact his/her reference trade union organisation, pursuant to Article 2(2b) of Law 179/2017.

In any case, Article 2, paragraph 2-quater of Law 179/2017, establishes that retaliatory or discriminatory dismissals, changes of duties pursuant to Art. 2103 of the Civil Code ("Performance of Work"), or any other retaliatory or discriminatory measures taken against the reporting person shall be considered null and void.

The law also establishes that – in the case of disputes relating to the application of disciplinary sanctions, dismissals, removals or the subjecting of the whistleblower to other organisational measures after the submission of the report, with direct or indirect negative effects on his/her working conditions – it is up to the employer to prove that the said measures have not been adopted in connection with the whistleblowing activities (the so-called "reversal of the burden of proof in favour of the whistleblower").

4.4 Loss of the protections guaranteed by law in the event of bad faith on the part of the whistleblower

The protections granted to senior management officers, subordinate personnel and any freelance collaborators with the Entity shall cease if the whistleblower is found criminally liable for the offences of slander, defamation or other offences associated with a false whistleblowing report, even only at trial court level. Likewise, whistleblowers shall no longer enjoy protection if they are held liable in civil proceedings for having filed a report in bad faith, based on malice or serious misconduct.

5 The Sanctionative System

5.1 Foreword

The Organisation, Management and Control Model may be effectively implemented only of accompanied by an adequate disciplinary/sanctionative system, which plays an key role in the architecture of Legislative Decree 231/01. This decree, in fact, constitutes the safeguard for internal procedures (pursuant to Article 6, paragraph 2, letter e) and Article 7, paragraph 4, letter b) of Legislative Decree 231/01).

Indeed, in order for the organisation, management and control model to have a so-called "exemption effect" for the Company, it must provide, as referred to in Article 6(2) above, for a disciplinary system capable of sanctioning any non-compliance with the measures envisaged by the Model.

The disciplinary system adopted by the Company is based on the following fundamental principles:

- **legality:** art. 6, paragraph 2, letter e), of Decree 231 requires that the Model 231 adopted must introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the model itself; for this reason, the Company has taken steps to: i) prepare in advance a set of rules of conduct and procedures included in the special part of the Model 231; ii) sufficiently specify the disciplinary cases and the related sanctions;
- **complementarity:** the Disciplinary System envisaged by Model 231 is complementary, and not alternative, to the disciplinary system established by the CCNL in force and applicable to the different categories of employees in service at the Company;
- **publicity:** the Company will give maximum and adequate knowledge of the Disciplinary System, first and foremost through publication in a place accessible to all workers (as required by Article 7, paragraph 1, Law 300/1970, so-called Workers' Statute), as well as by delivery to individual workers;

- **cross-examination:** the guarantee of cross-examination is fulfilled, in addition to the prior publicity of the 231 Model, with the prior written notification in a specific, immediate and immutable manner of any charges (cf. art. 7, paragraph 2, St. Lav.);
- **effectiveness and sanctionability** of the attempted violation: in order to make the Disciplinary System suitable and therefore effective, the sanctionability of even the mere conduct that jeopardizes the rules, prohibitions and procedures set forth in Model 231 or even only the preliminary acts aimed at their violation will be evaluated (art. 6, paragraph 2, letter e), Decree 231).

The requirements to be met by the Sanctionative System, if the Decree fails to provide, shall be based on the existing legal doctrine and case law, as follows:

- **Specificity and autonomy**: the principle of "specificity" is implemented through the introduction by the Company of a specific sanctionative system providing for the sanctions to be applied in the event of any breaches of the Model, regardless of whether or not this entails the commission of an offence, while the principle of "autonomy" is implemented through ensuring that the disciplinary system put into place by the Company is adequate, compared to the external systems (e.g. the criminal trial system). Basically, this means that the Company should be able to sanction any breaches regardless of the initiation and progress of criminal proceedings, in relation to the type of violation of the protocols and/or procedures provided in the Model;
- **Compatibility**: the procedure for establishing a breach and applying the relative sanction, and the sanction itself, shall not conflict with the legal and contractual rules governing the employment relationship entered into with the Company;
- **Suitability**: the sanctionative system must be efficient and effective for the purpose of preventing the commission of offences;
- **Proportionality**: the applicable or applied sanction must be proportionate to the violation found;
- **Circulation in writing and adequate dissemination**: the sanctionative system must be circulated in writing and be promptly and adequately disseminated, through information and training programmes for the Recipients (therefore, simply posting it in a public place shall not be sufficient).

Notwithstanding the above, the commission of offences clearly undermines the bond of trust between the Parties, legitimising the application of the sanctions by the Company.

The substantive prerequisite that underlies the Company's power to apply disciplinary measures is the attribution of the breach to the employee (whether a subordinate staff member, a senior management officer or a collaborator), regardless of whether the employee's conduct constitutes a violation warranting criminal prosecution.

As mentioned above, the fundamental requirement for sanctions is their proportionality to the breach, which must be assessed according to two criteria:

- the seriousness of the breach;
- the type of employment relationship established with the employee (subordinate, so-called "para-subordinate", management, etc.), taking into account the specific legislative and contractual framework.

5.2 Definition and limits of disciplinary liability

The Company, being aware of the need to comply with the law and the provisions in force on the matter, ensures that the sanctions applied under its Sanctionative System comply with the provisions of the applicable National Collective Labour Agreements (in this case, the National Collective Labour Agreement for Air

Transport Workers), and also ensures that in procedural terms, Article 7 of Law no. 300 of 30 May 1970 (Workers' Statute) applies for the notification of the offence and the application of the relative sanction.

5.3 Recipients and their duties

The Recipients of this Disciplinary System are the same as the Recipients of the Model 231.

All Recipients are obliged to conform to the principles envisaged by the Code of Ethics and to all the principles and measures for the organisation, management and control of company activities, as defined in Model 231.

Any violation of the said principles, measures and procedures shall, if established, constitute:

- in the case of employees and management staff, a breach of contract in relation to the obligations arising from the employment relationship, pursuant to Article 2104 of the Civil Code and Article 2106 of the Civil Code;
- in the case of Company directors, failure to comply with their duties under the applicable law and the Articles of Association, pursuant to Article 2392 of the Civil Code;
- in the case of external parties, a breach of contract justifying termination of the contract, without prejudice to compensation for damages.

The procedure for the application of the sanctions listed below therefore takes into account the legal status of the person against whom the proceedings are brought.

In any case, the Supervisory Body must be involved in the process of applying disciplinary sanctions.

The Supervisory Body makes sure that specific procedures are put into place for informing all the above-mentioned persons, as soon as they enter into any form of relationship with the Company, with regard to the existence and content of this sanctionative system.

5.4 General Principles on Sanctions

The sanctions applied for any breaches must, in any case, respect the principle of gradual progress and proportionality, with respect to the seriousness of the infringements committed.

Establishing the type and extent of the sanctions applied, in connection with the commission of an offence, including the significant offences referred to in Legislative Decree No. 231/01, shall be based on compliance with and the assessment of the following:

- whether or not the breach was intentional;
- whether the perpetrator, in committing the breach, acted with negligence, recklessness and inexperience, especially with regard to the foreseeability of the event;
- the relevance and possible consequences of the breach or offence;
- the position occupied by the perpetrator within the company organisation, especially in view of the responsibilities associated with his/her duties;
- any aggravating and/or extenuating circumstances in relation to the conduct of the Recipient, including, by way of example, the application of disciplinary sanctions against the same person in the two years preceding the breach or offence;
- the participation in the breach or the commission of the offence of two or more Recipients, acting in agreement with each other.

The process for challenging the offence and the application of the relevant sanction are differentiated on the basis of the employment category of the perpetrator.

5.5 Sanctions against subordinate employees

Conduct by employees in breach of the individual rules of conduct set out herein is defined as a disciplinary offence.

The sanctions that may be applied to subordinate employees are provided for in the Company's disciplinary system and/or the sanctionative system provided by the National Collective Labour Agreement for Air Transport Workers applied within the Company, in accordance with the procedures provided in Article 7 of the Workers' Statute and any other applicable special regulations.

The Company's Disciplinary System therefore consists of (i) the Civil Code rules on the subject, and (ii) the collective bargaining regulations provided in the CCNL Trasporto Aereo (National Collective Labour Agreement for Air Transport Workers). In particular, the Disciplinary System describes the conduct warranting sanctions, depending on the importance of the individual cases considered and the sanctions concretely provided for the commission of the facts themselves based on their seriousness.

The Company considers that the sanctions provided for in the CCNL apply, in accordance with the procedures set out below and in consideration of the general principles and criteria identified in the preceding point, in relation to the infringements defined above.

In particular, the following sanctions apply to employees in accordance with the CCNL for Air Transport Workers, namely:

a) verbal warning;
b) written warning;
c) a fine not exceeding four hours' pay;
d) suspension from work without pay, for a maximum of ten days;
e) dismissal with or without notice.

(a) Verbal warning for minor offences, or (b) Written warning, representing a formal caution.

An employee may be issued with a verbal or written warning, in accordance with the CCNL, in the following cases, as a result of:

- a first or fairly minor infringement;
- a minor breach of the obligations of confidentiality on the identity of the whistleblower provided for by Law 179/2017 for the protection of employees or collaborators who report any wrongdoing, or the performance of weak acts of retaliation or discrimination against the whistleblower;
- the negligent breach of the obligations to provide information to the Supervisory Body under the Model 231;
- generally speaking, any minor non-compliance with the duties established by the internal procedures set out in the Model 231 or the adoption of conduct that does not comply with the requirements of the Model 231, with regard to the performance of an activity in an area at risk, or with the instructions issued by a superior, or any minor breach of the provisions relating to the protection of employees or collaborators who report offences (whistleblowers) pursuant to Law 179/2017.

(c) Fine not exceeding four hours' pay.

Employees may be issued a fine (not exceeding the amount of four hours of normal pay), in accordance with the CCNL, in the following cases:

- if the verbal or written warning proves ineffective, i.e. in cases where the nature of the breach is such that the warning is deemed inappropriate;
- a first major infringement, also in relation to the duties performed;
- if the verbal or written warning proves ineffective or as a result of a first major infringement with regard to the obligations of confidentiality on the identity of the whistleblower provided by Law 179/2017 for the protection of employees or collaborators who report any wrongdoing, or the performance of modest acts of retaliation or discrimination against the whistleblower;
- generally speaking, the repeated or serious non-compliance with the duties established by the internal procedures set out in the Model 231 or the adoption of conduct that does not comply with the requirements of the Model 231, with regard to the performance of an activity in an area at risk, or with the instructions issued by a superior, or any breach of the provisions relating to the protection of employees or collaborators who report offences (whistleblowers) pursuant to Law 179/2017.

(d) Suspension from work without pay, for a maximum of ten days.

Suspension from work without pay (for a period not exceeding ten days), in accordance with the CCNL, is applicable to employees in the following cases:

- repeat offenders;
- a first serious infringement, also in relation to the duties performed;
- generally speaking, the repeated or very serious non-compliance with the duties established by the internal procedures set out in the Model 231 or the adoption of conduct that does not comply with the requirements of the Model 231, with regard to the performance of an activity in an area at risk, or with the instructions issued by a superior, or any serious breach of the provisions relating to the protection of employees or collaborators who report offences (whistleblowers) pursuant to Law 179/2017;
- the intentional or negligent breach of the whistleblowing requirements pursuant to Law 179/2017 by the employee, failing to comply with the obligations of confidentiality on the identity of the whistleblower, or performing acts of retaliation or discrimination against the whistleblower.

(e) Dismissal with or without notice.

An employee who, in the performance of activities in one of the areas at risk, adopts a conduct that does not comply with the provisions of the Model 231 and is unequivocally aimed at committing any of the offences sanctioned by Legislative Decree no. 231/01, shall incur the disciplinary sanction of dismissal in accordance with the CCNL.

In particular, the sanction applies:

- in cases where an employee has intentionally or negligently (in the latter case, only for offences relating to occupational health and safety) committed an offence so serious as to constitute, even in purely abstract terms, an offence under Legislative Decree 231/01;
- in the most serious cases of intentional or negligent breach of the whistleblowing requirements pursuant to Law 179/2017 by the employee, very seriously breaching the obligations of confidentiality on the identity of the whistleblower or performing very serious acts of retaliation or discrimination against the whistleblower.

With regard to investigations into the said breaches and infringements, the relevant disciplinary procedure and the application of sanctions, the powers of the employer, possibly granted on specifically designated persons, remain unchanged.

Provision is made for the necessary involvement of the Supervisory Body in the procedure for the application of sanctions for breaching the Model 231, in the sense that any disciplinary sanctions associated with the Model 231 cannot be applied without prior notification to the Supervisory Body.

Such communication becomes unnecessary when the proposal for the application of the sanctions comes from the Supervisory Body itself.

The Supervisory Body shall likewise be notified of any decisions to dismiss disciplinary proceedings referred to herein.

Employees will receive prompt and in-depth information about the introduction of any new provisions through an in-house circular letter explaining the reasons and summarising their content thereof.

5.6 Sanctions against lower management staff members

The relationship between the Company and its management staff is of a specifically fiduciary nature. In fact, a manager's behaviour is reflected not only within the Company but outside as well, for example in terms of the Company's image and reputation in the marketplace and, generally speaking, with respect to the various stakeholders.

Therefore, compliance by the Company's managers with the provisions of this Model 231 and the obligation to enforce it are considered a key factor of the managers' working relationship, since it represents an incentive and example for all their subordinates.

Any infringements committed by the managers (to be understood as direct breaches of both the Organisation, Management and Control Model and of Legislative Decree no. 231/2001 and related laws, including Law 179/2017 on whistleblowing), by virtue of the special fiduciary relationship existing between them and the Company and the lack of a relevant disciplinary system, shall be sanctioned with the disciplinary measures deemed most appropriate on a case-by-case basis, in accordance with the general principles previously identified in the paragraph "General Principles relating to Sanctions", with the provisions of the law and the contractual provisions, and in consideration of the fact that the relevant violations, in any case, constitute breaches of the obligations arising from the employment relationship.

The same disciplinary measures are envisaged in cases in which a manager allows any subordinate employees – either expressly or as a result of the failure to properly perform oversight duties – to engage in any conduct such as not comply with and/or breach the Model 231, which may be classified of infringements or breaches of the Law for the protection of employees or collaborators who report unlawful conduct, within the meaning of Legislative Decree 231/2001, or violations of the Model 231 of which they have become aware by reason of their duties (whistleblowers).

Should breaches of the Model 231, or of Legislative Decree 231/2001 and related laws, including Law 179/2017 on whistleblowing, by management staff constitute a criminal offence, the Company may, at its sole discretion, apply the following alternative measures against the perpetrator(s) and pending criminal proceedings:

- the precautionary suspension of the manager from his or her position, with the right, however, to receive full remuneration;
- assignment to a different position within the Company.

If the ensuing criminal trial confirms the breach of the Model 231 by the manager concerned and he or she is therefore convicted for any of the offences provided therein, he or she shall incur the disciplinary measure reserved for more serious offences.

On the other hand, dismissal for a justified reason applies in the case of infringements that may lead to the application against the Company of the precautionary sanctions provided for in Legislative Decree no. 231/01, such as to constitute a serious breach of the fiduciary component of the employment relationship and therefore forbid the continuation, even provisionally, of the employment relationship, which is fundamentally grounded on the principle of intuitu personae.

Provision is made for the necessary involvement of the Supervisory Body in the procedure for applying sanctions to managers for breach of the Model 231, in the sense that no sanction may be applied to a manager without the prior involvement of the Supervisory Body.

Such involvement is presumed when the proposal for the application of the sanction comes from the Supervisory Body.

The Supervisory Body shall likewise be notified of any decision to dismiss disciplinary proceedings referred to herein.

5.7 Measures against directors (Art. 5, paragraph 1, lett. a) of Legislative Decree 231/01)

The Company views with great severity any breaches of this Model 231 committed by its senior management officers, who share responsibility for the public image of the Company vis-à-vis its employees, shareholders, customers, creditors, the Oversight Authorities and the general public. The persons tasked with setting the Company's policies and taking decision should wholeheartedly embrace the values of fairness and transparency, so as to set an example and stimulate all its stakeholders and those who work for it, at all levels.

Violations of the principles and measures provided for in the Model 231 adopted by the Company, as well as non-compliance with Law 179/2017 on whistleblowing, resulting in a breach of the obligations of confidentiality on the identity of the whistleblower or acts of retaliation or discrimination against the whistleblower, by members of the Board of Directors must be promptly reported by the Supervisory Body to the entire Board of Directors.

The directors' liability to the Company is, to all intents and purposes, governed by Article 2392 of the Civil Code4.

The Board of Directors is responsible for examining the breach and for taking the most appropriate measures against the director(s) who committed them. In its examination, the Board of Directors is assisted by the Supervisory Body and decides by an absolute majority of those attending, excluding the director(s) who committed the breaches.

The sanctions applicable to directors are the withdrawal of delegated authority or removal from office and, if the director is linked to the Company by an employment relationship, his or her dismissal from the Company.

[4] Article 2392 of the Civil Code Liability to the company.
1. The directors must fulfil the duties imposed upon them by law and by the articles of association with the diligence of an agent, and are jointly and severally liable to the company for damages arising from non-observance of such duties, except in the case of functions which fall within the jurisdiction of the executive committee or of one particular or several directors. 2. In all cases, the directors are jointly and severally liable if they fail to supervise the general trend of the administration of the company or if, being aware of any facts which may bring harm to the company, they nevertheless fail to do everything in their power to prevent those occurrences or to remove or reduce the harmful consequences. 3. The liability for acts or omissions of the directors does not extend to a particular director who, while not being guilty of negligence, causes his or her dissent to be entered in the minutes book of the meetings and of the resolutions of the board of directors, giving immediate written notice thereof to the chairperson of the board of auditors.

Pursuant to Article 2406 of the Civil Code, the Board of Directors is competent, in accordance with the applicable legal provisions, to call General Meeting, if deemed necessary. Calling a general Meeting, however, is mandatory for the purpose of passing resolutions on the removal from office or bringing an action for liability against any directors (it should be noted that actions for liability against directors are aimed at obtaining compensation and therefore cannot technically be considered a sanction).

5.8 Measures against auditors

In the event of a breach of the provisions and rules of conduct set forth in this Organisation, Management and Control Model, as well as any non-compliance with Law 179/2017 on whistleblowing, consisting in a breach of the obligations of confidentiality on the identity of the whistleblower or acts of retaliation or discrimination against the whistleblower, by one or more auditors[5], the Supervisory Body shall promptly inform the entire Board of Auditors and the Board of Directors, by means of a written report.

In the event of violations constituting just cause for removal, the Board of Directors shall propose the adoption of measures within its purview and take any further steps that may be required by law.

5.9 Measures against members of the Supervisory Body

Violations of this Organisation, Management and Control Model, as well as any non-compliance with Law 179/2017 on whistleblowing, consisting in a breach of confidentiality obligations on the identity of the whistleblower or acts of retaliation or discrimination against the whistleblower, by any members of the Supervisory Body must be promptly reported, by any of the auditors or directors, to the entire Board of Auditors and the Board of Directors. These bodies, after having notified the breach and granted the appropriate means of defence, shall adopt the appropriate measures such as, by way of example, removal from office.

5.10 Measures against External Parties

Any conduct engaged in by external parties (meaning freelance collaborators, agents and representatives, consultants and, generally speaking, self-employed persons, as well as suppliers and partners, also in the form of a temporary grouping of undertakings or a joint venture) that conflicts with the guidelines set out in the Model 231, and such as to entail the risk of the commission of any of the offences referred to in Legislative Decree 231/01, as well as any non-compliance with Law 179/2017 on whistleblowing, consisting in a breach of confidentiality obligations on the identity of the whistleblower or in acts of retaliation or discrimination to the detriment of the whistleblower, may determine, in accordance with the terms and conditions provided in the letters of appointment or stipulated in the relevant contracts, the termination of the contract or the right to withdraw from it, without prejudice to any claims for further compensation if such conduct harms the Company, such as, by way of example only, in the event of the application, even as a precautionary measure, of the sanctions provided in the Decree against the Company.

The Supervisory Body, coordinating with the Chief Executive Officer, or other person duly designated by the latter, shall make sure that specific procedures are put into place for the purpose of transmitting to the external parties the principles and guidelines set out in this Model 231 and in the Code of Ethics, and shall verify that the latter have been informed of the consequences that may arise from any breaches thereof.

[5]Although the statutory auditors cannot be considered - in principle - as persons in an apical position, it is nevertheless abstractly conceivable that they may be involved, even indirectly, in the commission of the offences referred to in the Decree (possibly as accomplices of persons in an apical position).