

# ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL

PURSUANT TO ITALIAN LEGISLATIVE DECREE

NO. 231/2001

GENERAL PART

**ORGANISATIONAL, MANAGEMENT AND CONTROL MODEL**  
*Pursuant to Italian Legislative Decree no. 231 of 8 June 2001*

*Update*  
*of July 31, 2024*

## CONTENTS

FOREWORD .....	8
GENERAL PRINCIPLES .....	8
OBJECTIVES OF THE MODEL .....	8
STRUCTURE OF THE MODEL .....	9
RECIPIENTS OF THE MODEL .....	10
SECTION ONE.....	12
LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001 .....	12
1. ADMINISTRATIVE LIABILITY OF ENTITIES .....	12
1.1 THE LEGAL SYSTEM OF ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS .....	12
1.2 CRIMES THAT DETERMINE ADMINISTRATIVE LIABILITY OF THE ENTITY .....	14
1.3 SANCTIONS APPLICABLE TO THE ENTITY.....	15
1.4 THE EXEMPTION FROM LIABILITY: THE ORGANISATION, MANAGEMENT AND CONTROL MODEL.....	16
1.4.1 EXEMPTION FROM ADMINISTRATIVE LIABILITY WITH REGARD TO HEALTH AND SAFETY AT WORK .....	17
2. SOURCES FOR CONSTRUCTION OF THE MODEL: CONFINDUSTRIA GUIDELINES FOR THE ADOPTION OF ORGANISATIONAL MODELS ON ADMINISTRATIVE LIABILITY .....	18
SECTION TWO.....	19
THE CONTENTS OF THE MAIRE S.P.A. MODEL.....	19
1. ADOPTION OF THE MODEL.....	19
1.1 THE ACTIVITIES AND ORGANISATIONAL STRUCTURE OF MAIRE S.P.A.....	19
1.2 THE GUIDING PRINCIPLES OF THE MODEL .....	20
1.2.1 GOVERNANCE INSTRUMENTS.....	20
1.2.2 INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM .....	22
1.2.3 METHODS FOR THE MANAGEMENT OF FINANCIAL RESOURCES.....	24
1.3 CONSTRUCTION OF THE MODEL .....	24
1.3.1 THE MAP OF ACTIVITIES AT RISK .....	25
1.3.2 THE PROTOCOLS .....	30
2. SUPERVISORY BODY .....	32
2.1 CHARACTERISTICS OF THE SUPERVISORY BODY .....	32
2.2 IDENTIFICATION OF THE SUPERVISORY BODY .....	33
2.3 DEFINITION OF THE DUTIES AND POWERS OF THE SUPERVISORY BODY.....	36
2.4 INFORMATION FLOWS TO THE SUPERVISORY BODY.....	38
2.4.1. CHANNELS FOR TRANSMITTING REPORTS AND GUARANTEEING THE RIGHT OF CONFIDENTIALITY OF THE REPORTER.....	39
2.4.2. PROTECTION OF WHISTLEBLOWERS .....	40
2.5 SUPERVISORY BODY REPORTING ACTIVITY .....	41
2.6. REGULAR AUDITS BY THE SUPERVISORY BODY .....	42

2.7 RELATIONS BETWEEN THE SUPERVISORY BODY OF MAIRE AND THE COMPANIES UNDER ITALIAN LAW THAT ARE DIRECT AND INDIRECT SUBSIDIARIES OF MAIRE .....	42
3. DISCIPLINARY SYSTEM .....	43
3.1 THE FUNCTIONS OF THE DISCIPLINARY SYSTEM .....	43
3.2 THE RECIPIENTS OF THE DISCIPLINARY SYSTEM .....	44
3.3 SANCTIONS.....	44
3.3.1 MEASURES APPLICABLE TO NON-MANAGERIAL STAFF.....	44
3.3.2 MEASURES APPLICABLE TO MANAGERIAL STAFF .....	47
3.3.3 MEASURES APPLICABLE TO WORKERS SECONDED TO MAIRE.....	49
3.3.4 MEASURES APPLICABLE TO DIRECTORS .....	49
3.3.5 MEASURES APPLICABLE TO STATUTORY AUDITORS .....	49
3.3.6 MEASURES APPLICABLE TO THIRD PARTIES AND TO OTHER PARTIES.....	50
3.3.7 MEASURES AGAINST MEMBERS OF THE SUPERVISORY BODY .....	50
4. DISSEMINATION OF THE MODEL .....	51
5. UPDATING OF THE MODEL .....	52
6. GROUP GUIDELINES ON ADMINISTRATIVE LIABILITY OF ENTITIES .....	53
7. LIST OF ANNEXES .....	54

## GLOSSARY

In this document the following definitions apply:

- **Maire S.p.A., MAIRE or Company:** Maire S.p.A. or Maire S.p.A. with registered offices in Rome, Viale Castello della Magliana 27, registered in the company register of Rome with registration number and VAT no. 07673571001.
- **CCNL:** National Collective Labour Agreement for employees of Chemical and Pharmaceutical Chemistry Industries and for managers of Manufacturing Companies offering Goods and Services.
- **BoD:** Board of Directors of MAIRE.
- **Business Integrity Policy:** a Group Policy in force *pro tempore*, adopted to strengthen and disseminate the compliance and anti-corruption measures already included in the Document management system in force of the Maire Group.
- **Code of Ethics:** Group Code of Ethics in force *pro tempore*, represents the set of conduct values, principles and guidelines that inspire the entire operations of the Group.
- **Conflicts of interest:** This is a situation in which a personal interest may interfere with or prevail over that of the Company. Merely by way of example, the following are situations of conflicts of interest:
  - having economic and financial interests, including through family members, with suppliers, sub-suppliers, actual or potential customers, business partners or competitors;
  - accepting gifts that are not compliant with the provisions of the Model, Code of Ethics, Business Integrity Policy, the Document management system in force or in any case which are such as to influence independence of judgement, favours or other benefits of any kind from people, companies or entities that are doing, or intend to do business with the Company;
  - using a personal position in the Company to pursue personal interests or those of third parties, whether or not they are in conflict with those of the Company;
  - starting negotiations and/or entering into agreements - for and/or on behalf of the Company
    - with counterparties who are family members or shareholders, or legal entities that are connected with the Recipients or in which they have any interest.
- **CONSOB:** Commissione Nazionale per le Società e la Borsa [Italian Securities and Exchange Commission].
- **Recipients:** all persons and bodies required to comply with this Organisation, Management and Control Model, as defined in the paragraph entitled "Recipients of Model", below.
- **Decree or Legislative Decree no. 231/2001:** Italian Legislative Decree no. 231 of 8 June 2001, concerning containing the "Regulations governing the administrative liability of legal persons, companies and unincorporated associations, in accordance with Article 11, Law 300 Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

of 29 September 2000” as amended and supplemented.

- **Entities:** bodies with legal status, companies and unincorporated associations, with the exclusion of other than the State, local authorities, other non-economic public bodies, and bodies with constitutional functions.
- **Group:** the companies belonging to the MAIRE group.
- **Model:** this Organisation, Management and Control Model adopted by MAIRE in accordance with Article 6, paragraph 1, letter a) of Italian Legislative Decree no. 231/2001.
- **Supervisory Body or SB:** the organism with independent powers of supervision and control, which is entrusted by the Company with the responsibility for supervising the operation of and compliance with the Model, as well as its updating.
- **Protocols:** specific protocols, in compliance with the provisions of Article 6, paragraph 2, letter b) of Legislative Decree no. 231/2001, which contain a set of control and conduct rules and principles deemed suitable to govern the identified risk profile.
- **Crimes:** the crimes for which administrative liability is provided for pursuant to Italian Legislative Decree no. 231/2001.
- **OUM:** Operational Unit Managers, i.e. the Recipients who have operational responsibility for each area of company activity in which there is a potential risk of crimes being committed.
- **Sister Company:** the companies directly controlled by MAIRE.
- **Private Parties:** directors, general managers, managers responsible for preparing corporate accounting documents, auditors, liquidators of a third party company or those who are under their management or supervision or those who, according to current legislation, may be the targets of acts of corruption among private individuals pursuant to Article 2635 of the Civil Code.
- **Third Parties:** such as contract workers, interns, temporary workers, employees of Group Companies on secondment to the Company.
- **Other Parties:** merely by way of example, suppliers, consultants, professionals, employment agencies, contractors of services pursuant to articles 4 and 20 of Italian Legislative Decree no. 276/2003, subcontractors and business partners as well as any other persons that the Company deems appropriate to identify.

For proper understanding and application of the Model and Protocols, given the numerous references contained therein and the significance of the issue for the Company, the following table shows the definitions of “Public Officer” and “Civil Servant”, as defined by the Penal Code, and the notion of

“Public Administration”<sup>1</sup> as expressed in the academic literature and case law:

- **Public Officer** (Article 357 of the Penal Code): “For the purposes of criminal law, public officials are those who perform a public legislative, judicial or administrative function. *For the same purposes the administrative function governed by public law and authoritative acts and characterised by the formation and manifestation of the will of the public administration or its performance by means of powers of authorisation or certification is public*”;
- **Civil Servant** (Article 358 of the Penal Code): “*For the purposes of criminal law, civil servants are those who, for whatever reason, perform a public service. Public service is meant as an activity regulated in the same way as the public function, but characterised by the lack of powers typical of the latter, and excludes the performance of simple tasks of order and the provision of merely material works*”;
- **Public Administration**: the legislator does not define in a general way the concept of public administration and, therefore, at present, the broadest and most reliable notion, even if reserved for the specific sector, is that contained in the Consolidated Act on Public Employment (Article 1, paragraph 2 of Italian Legislative Decree no. 165/2001), according to which the term “public administration” is used to refer to “*all State administrations, including institutes and schools of all levels and types and educational institutions, State businesses and administrations with their own autonomous order, Regions, Provinces, Municipalities, Comunità Montane and their consortia and associations, university institutions, autonomous institutes for municipal housing, chambers of commerce and their associations, all national, regional and local non-economic public entities, the administrations, businesses and entities of the National Health Service, the Agency providing business representation of the public administrations (ARAN) and the Agencies pursuant to Italian Legislative Decree no. 300 of 30 July 1999*”. For a more detailed definition of “Public Administration”, please refer to Annex 1.

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<sup>1</sup> For a more detailed definition of “Public Administration”, please refer to Annex 1.

## **FOREWORD**

### **GENERAL PRINCIPLES**

MAIRE S.p.A, listed on the Milan Stock Exchange, is the parent company of an engineering group that develops and implements innovative technologies for energy transition. The Group offers Sustainable Technological Solutions and Integrated Engineering and Construction Solutions for fertilizers, hydrogen, CO<sub>2</sub> capture, fuels, chemical products and polymers (plastic production components). With its headquarters in Milan, MAIRE creates value in 45 countries, employs 7,000 people and is supported by over 20,000 people in its projects around the world,

MAIRE, which adheres to the Code of Corporate Governance prepared by the Committee for Corporate Governance of Borsa Italiana S.p.A., last updated in July 2015 (the “Code of Corporate Governance”), is organised in accordance with the traditional administration and control model with the Shareholders’ Meeting, the Board of Directors and the Board of Auditors. The Board of Directors has established two internal committees having advisory functions - the Remuneration Committee and the Audit and Risk Committee - pursuant to the provisions set out in the Corporate Governance Code. The Board of Directors has also established a Related Party Committee which is assigned the tasks and duties envisaged by Consob Related Party Regulation. The activity of statutory auditing of the accounts is entrusted to an auditing firm.

The Company distinguished roles and responsibilities of those involved in the internal audit and risk management system, in order to optimize interaction between them and avoid duplication of work within their respective areas of activities and competence. MAIRE has supported the corporate bodies involved in the internal audit and risk management system (Board of Directors, Audit and Risk Committee, Board of Auditors and Executive responsible for preparing the Company’s financial reports) with duties and responsibilities prescribed by laws and regulations, some business functions, which form a stable part of the organizational structure. The roles and responsibilities of these corporate functions have been accurately outlined, in order to optimize the interaction and avoid duplication in operational management of the internal audit and risk management system. These functions operate in an integrated, inter-dependent manner. Additional exchanges of information take place between the function managers, the representatives of the independent auditing firm, the members of the Supervisory Body pursuant to Italian Legislative Decree no. 231/2001 and the Manager responsible for preparing corporate accounting documents.

### **OBJECTIVES OF THE MODEL**

MAIRE S.p.A., as part of a broader corporate policy common to the entire MAIRE G, sensitive to the need to ensure fairness and transparency in the conduct of business and corporate activities, to protect the Company itself, as well as the expectations and interests of its stakeholders, has deemed it appropriate to analyse and strengthen all the control and corporate governance instruments have already adopted, proceeding with the implementation and regular updating of the Organisation, Management and Control Model as provided for by Legislative Decree no. 231/2001 on the administrative liability of entities.

On 13 December 2006, the Board of Directors of MAIRE adopted the first version of its Model. In view of the subsequent interventions of the legislator aiming to extend the scope of application of Italian Legislative Decree no. 231/2001, new legal guidelines in the meantime consolidated and organisational changes in the structure of the Company and the Group, MAIRE has updated the Model



on July 31, 2024.

By the adoption of this Model, MAIRE aims to achieve the following objectives:

- to reiterate that any unlawful conduct is totally condemned by the Company, even if inspired by a misinterpreted corporate interest and even if MAIRE was apparently not in a position to benefit;
- determine in all those who act in the name and on behalf of MAIRE and, in particular, in the areas identified as “at risk” of crimes pursuant to the Decree, awareness of the duty to comply with the provisions of the Model and Code of Ethics and the *Business Integrity Policy* and with the company regulations in general;
- to inform the Recipients that violation of the provisions of the Model constitutes conduct punishable by disciplinary measures and that in the event of commission of any crime pursuant to the Decree, in addition to criminal sanctions applicable to them personally, there could also be administrative liability on the part of the Company, with the consequent application of sanctions to the same;
- to enable the Company, by strict control and monitoring of areas at risk and sensitive activities in terms of the possible commission of crimes pursuant to the Decree and implementation of ad hoc instruments, to take prompt action to prevent or combat the commission of said crimes.

## STRUCTURE OF THE MODEL

This document consists of a General Part and a Special Part.

The General Part describes the contents of the Decree, referring to the types of crimes that determine administrative liability on the part of an entity, the possible sanctions and the conditions for the exemption from liability (Section one), as well as the organisational structure of the Company and the activities carried out for the construction, dissemination and updating of the Model (Section two).

The Special Part contains the Protocols, i.e. a set of control and conduct rules , principles deemed suitable to govern the areas for which a potential risk of committing crimes of administrative liability has been identified pursuant to Legislative Decree no. 231/2001.

The rules contained in the Model are supplemented by those of the Code of Ethics and the Business Integrity Policy, even though the former, for the purposes it intends to pursue in implementing the provisions contained in the Decree, has a different objective from the latter. It is pointed out, in fact, that:

- the Code of Ethics and the Business Integrity Policy are independently adopted instruments for general application by the Company. The Code of Ethics establishes the principles of “corporate ethics” which MAIRE and the Group acknowledges as its own and which the Recipients is called upon to comply with; the Business Integrity Policy is committed to disseminate and to promote among the Recipients the principles of transparency, legality, proper management as well as zero tolerance towards corruption followed by the MAIRE group;
- the Model complies with specific requirements contained in the Legislative Decree no. 231/2001, with the objective of preventing the commission of crimes that may result in the administrative liability of the Company.

## **RECIPIENTS OF THE MODEL**

The rules contained in the Model apply to all those in the Company, including those belonging to other MAIRE group Companies, who are involved, including de facto, in MAIRE activities considered at risk for the purposes of said legislation.

In particular, the Model applies to the following Recipients:

- all members of corporate bodies (Board of Directors and Board of Statutory Auditors);
- senior managers (i.e. those defined as such according to the applicable National Collective Labour Agreement);
- employees (i.e. workers with employment contracts, also fixed-term);
- Third Parties.

Third Parties must be bound to comply with the provisions of the Legislative Decree no. 231/2001, the Model and the ethical and conduct principles adopted by MAIRE via the Code of Ethics and the Business Integrity Policy by signing the appropriate contractual clauses, which allow the Company, in the event of breach, to unilaterally terminate the contracts entered into and to claim compensation for any damage incurred (including possible imposition of sanctions pursuant to the Decree).

The Company shall bind the Other Parties to comply with the prescriptions dictated by Legislative Decree no. 231/2001 and the ethical and conduct principles adopted by MAIRE via the Code of Ethics, the Business Integrity Policy and Model 231, by signing the appropriate contractual clauses, which allow the Company, in the event of breach, to unilaterally terminate the contracts entered into and to claim compensation for any loss incurred (including possible imposition of sanctions pursuant to the Decree).

GENERAL PART

## SECTION ONE

### LEGISLATIVE DECREE NO. 231 OF 8 JUNE 2001

#### 1. ADMINISTRATIVE LIABILITY OF ENTITIES

##### 1.1 THE LEGAL SYSTEM OF ADMINISTRATIVE LIABILITY OF LEGAL PERSONS, COMPANIES AND ASSOCIATIONS

Legislative Decree no. 231 of 8 June 2001, in partial implementation of the enabling law no. 300, Article 11 of 29 September 2000, regulates - introducing it for the first time into national law - administrative liability of legal persons, companies and unincorporated associations.

In particular, enabling law no. 300 of 2000 (which ratifies, among other things, the Convention on financial protection of the European Communities of 26 July 1995, the EU Convention of 26 May 1997 on the fight against corruption and the OECD Convention of 17 September 1997 on combating the corruption of foreign public officials in international business transactions) fulfils the obligations provided for by such international and, in particular, Community instruments which provide paradigms for the liability of legal persons and a corresponding sanction system targeting corporate crime.

Italian Legislative Decree no. 231/2001 therefore fits in the context of implementation of international obligations and - aligning itself with the regulatory systems of many European countries - establishes liability of the companies, considered "*as an independent centre of interest and legal relationships, point of reference of precepts of various kinds, and matrix of decisions and activities of persons operating in the name, on behalf or otherwise in the interests of the entity*".

With regard to the real nature of the liability pursuant to Legislative Decree no. 231/2001, this seems to combine features of both administrative and criminal liability. The Ministerial report to the Decree, in fact, highlights how that such form of liability, being the result of a crime and linked to the guarantees of a criminal trial, differs in several points from the classical paradigm of administrative crime and constitutes an autonomous type of liability "*which combines the essential features of the criminal and administrative systems in an attempt to reconcile the issues of preventive efficacy with those, even more inevitable, of maximum protection*".

Legislative Decree no. 231/2001 provides for a broad system of sanctions that ranges from the milder monetary sanctions up to the heavier disqualification sanctions, including the sanction of disqualification from business activities.

The administrative sanctions provided for by the Decree can only be applied by the criminal court, with the guarantees of the criminal trial, only if all the objective and subjective requirements set by the legislator are met: the commission of an offence in the interest or for the benefit of the Entity, by qualified persons (top management or subordinates).

Administrative liability on the part of an Entity arises in the following cases:

- commission of an offence *in its own interest*, i.e. whenever the illegal conduct is put in place with the intent of creating an exclusive benefit for the Entity;
- the same derives some kind of *advantage* (financial or otherwise) of an indirect type from the illegal conduct, the offender having acted without the sole purpose of creating a benefit for the Entity.

In contrast, the *exclusive* benefit of the offender (or a third party with respect to the entity) excludes Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

the liability of the Entity, as the Entity is absolutely and manifestly extraneous to the commission of the Crime.

With regard to the persons concerned, the legislator, in Article 5 of the Legislative Decree no. 231/2001, provides for the liability of the Entity if the crime is committed:

- a) “*by persons who are representatives, directors or managers of the entity or one of its organisational units with financial and functional autonomy, as well as persons who, also de facto, exercise management and control of the same*” (so-called **top management**);
- b) “*by persons reporting to top management or under the supervision of those referred to in letter a)*” (subordinates).

If the crime has been committed by a subordinate, the entity is liable if the prosecution manages to show that the commitment of the offence was made possible by failure to comply with management or supervisory obligations. These obligations are assumed to have been fulfilled when the entity, before committing the offence, has adopted and effectively implemented a Model able to prevent crimes of the type that have taken place.

On the other hand, the liability of the entity is assumed where the crime is committed by natural persons holding a senior or managerial position; consequently, the burden of showing that it had nothing to do with the events therefore lies with the entity. By contrast, the liability of the entity needs to be shown where the person who committed the crime does not hold a senior position in the corporate organisational system; the burden of proof in this case lies with the prosecution.

For the purposes of affirming liability of the Entity, in addition to the existence of the requisites mentioned that allow the crime to be objectively connected to the Entity, the legislator also requires ascertainment of the guilt of the entity. Such subjective requirement is identified with *organisational fault*, understood as the failure of the Entity to adopt appropriate measures to prevent the specific offence.

The liability of Entities also extends to Crimes committed abroad, provided they are not prosecuted by the State of the place where the act was committed and that the particular conditions exist, as provided for in Legislative Decree no. 231/2001.

The increasingly global nature of business markets makes verification of the extraterritorial approach of punitive laws anything but secondary, as established to cover the rules governing business activities in general and those contained in Legislative Decree no. 231/2001.

The Decree, in fact, contains a provision (Article 4 of the Decree), inspired by a moderate principles of *universality* of jurisdiction, according to which administrative liability can be applied to an Entity with head office in Italy for the commission of one of the predicate Crimes, even where this has been entirely committed abroad. In particular, paragraph 1 of Article 4 mentioned above provides for the administrative liability in all cases in which, for Crimes committed abroad, the natural person who committed it must also be punished under Articles 7, 8, 9 and 10 of the Penal Code.

For the Italian judge to exercise his jurisdiction, and apply the administrative penalties prescribed by the Decree to the Entity, in the event of commission of Crimes abroad, the following specific pre-requisites are required:

1. the Crime must be committed abroad (and entirely completed abroad) by the qualified person (“top management” or “subordinate”);
2. the Entity must have its head office in Italy (Articles 2196 and 2197 of the Civil Code);
3. one of the conditions provided for in Articles 7, 8, 9 and 10 of the Penal Code, is met;
4. the State in which the act was committed does not take action against the Entity;

Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

5. in cases in which the law provides that the guilty person should be punished at the request of the Minister of Justice, action is taken against the Entity only if the request is also formulated against the latter.

Although the rule does not refer to Entities not established in Italy, the orientation that emerged in the case law on the merits (Preliminary investigations magistrate Milan, order dated 13 June 2007, same, order dated 27 April 2004, Court of Milan, order dated 28 October 2004) sanctioned, basing its decisions on the principle of territoriality, the existence of national jurisdiction in relation to crime committed by foreign entities in Italy.

## **1.2 CRIMES THAT DETERMINE ADMINISTRATIVE LIABILITY OF THE ENTITY**

The types of crime subject to the administrative liability of the Company are only those specifically indicated by the legislator in Italian Legislative Decree no. 231/2001 or in special laws that refer to the same regulatory framework.

Over the years, the number of crimes “presupposed” under the Legislative Decree no. 231/2001 has considerably expanded to, currently, include the following “families”:

- Crimes against the Public Administration and property of the State or of another public body or of the European Union (Articles 24 and 25);
- Computer crimes and unlawful data processing (Article 24-bis);
- Organised crime (Article 24-ter);
- Crimes relating to forgery of money, public credit cards, revenue stamps or identification instruments or marks (Article 25-bis);
- Crimes against industry and commerce (Article 25-bis.1);
- Corporate crimes, including the crime of private corruption and incitement to private corruption (Article 25-ter);
- Crimes for the purpose of terrorism and the subversion of the democratic order (Article 25-quater);
- Crimes relating to female genital mutilation (Article 25-quater.1);
- Crimes against the individual person (Article 25-quinquies);
- Crimes of abuse or unlawful disclosure of inside information and market manipulation (Article 25-sexies);
- Manslaughter and injury or grievous bodily harm, committed in violation of the rules on the protection of health and safety at work (Article 25-septies);
- Handling, recycling and use of money, goods or assets of illicit origin and money laundering (Article 25-octies);
- Offences relating to non-cash payment instruments and the fraudulent transfer of property (Article 25-octies.1);
- Crimes relating to breach of copyright (Article 25-novies);
- Crime of induction to not make statements or to make false statements to the Judicial Authorities (Article 25-decies);

- Environmental crimes (Article 25-undecies);
- Crime of use of third-country citizens whose stay is irregular (Article 25-duodecies);
- Crimes relating to racism and xenophobia (Article 25-terdecies);
- Crimes of fraud in sporting competitions, abusive gambling or betting and games of chance by means of prohibited apparatus (Article 25-quaterdecies);
- Transnational crimes (Law no. 146 of 16 March 2006).
- Revenue crimes (Article 25-quinquiesdecies);
- Smuggling crimes (Article 25-sexiesdecies);
- Crimes against the cultural heritage (Article 25-septiesdecies);
- Laundering of cultural assets and the destruction and looting of cultural and landscape assets (Article 25- duodevicies).

For details of the individual types of crime for which administrative liability is envisaged pursuant to Legislative Decree no. 231/2001, please refer to the catalogue attached to this Model.

### **1.3 SANCTIONS APPLICABLE TO THE ENTITY**

The sanctions provided for by the Legislative Decree no. 231/2001 for Entities as a result of the commission or attempted commission of the crimes mentioned above are:

- fines ranging from a minimum of € 25,822.84 up to a maximum of € 1,549,370.69;
- disqualification of not less than three months and not exceeding two years, which, in turn, may consist of:
  - disqualification from exercising activities;
  - suspension or revocation of permits, licenses or concessions relating to the commission of the crime;
  - prohibition of negotiating with Public Administration;
  - exclusion from benefits, loans, grants or subsidies and possible revocation of those granted;
  - prohibition of advertising goods or services;
- confiscation of the price or profit of the crime (and precautionary seizure);
- publication of the sentence (in the case of disqualification).

Article 26 of Legislative Decree no. 231/2001 expressly provides that in the event of the commission, in the form of an attempt, of the offences set out in Chapter I of Legislative Decree 231/2001, fines (in terms of amount) and disqualifications (in terms of time) be reduced by a third to a half, while imposition of sanctions is excluded in cases in which the Entity voluntarily prevents the action being carried out or the event taking place.

With reference to Revenue crimes (pursuant to Article 25-quinquiesdecies of Legislative Decree no. 231/2001), although according to the provisions of Article 6 of Legislative Decree no. 74/2000 the Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

unlawful conduct is not considered a criminal offence at the level of attempt only, with the transposition of Directive (EU) 2017/1371 (the so-called “PIF Directive”), the conduct referred to in Articles 2, 3 and 4 of Legislative Decree no. 74/2000, even if carried out in the attempted form, are relevant as predicate crimes for the Entity provided that the following four conditions are MAIRE:

- the evasion must relate to a qualified amount,
- the evasion must relate solely to value added tax,
- the facts must be transnational and involve more than one EU country,
- the contested fact must not constitute the crime provided for by Article 8 of Legislative Decree no. 74/2000.

#### **1.4 THE EXEMPTION FROM LIABILITY: THE ORGANISATION, MANAGEMENT AND CONTROL MODEL**

Italian Legislative Decree no. 231/2001 specifically envisages, under Articles 6 and 7, exemption from administrative liability if the Entity has organisation and management models suitable to prevent Crimes of the type that occurred. In particular, liability is excluded if the entity proves that:

- a) the management body has adopted and effectively implemented, prior to the commission of the act, organisation and management models suitable to prevent Crimes of the type which occurred;
- b) the task of supervising the functioning and observance of the models and their updating has been entrusted to a body with independent powers of initiative and control (the so-called “Supervisory Body”);
- c) the persons have committed the act by fraudulently eluding the organisation and management models;
- d) there was no lack or insufficiency of supervision by the body referred to in point b).

The Decree specifies the needs that must be addressed by organisation, management and control models.

In particular, the Model must:

- a) identify the activities in which Crimes may be committed (so-called risk “mapping”);
- b) provide for specific protocols aimed at planning the formation and implementation of decisions of the Entity in relation to the Crimes to be prevented;
- c) identify procedures for managing financial resources in order to prevent the commission of Crimes;
- d) provide for obligation of information to the body responsible for supervising functioning and observance of the Models;
- e) introduce a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

Moreover, the Model should also provide for, in connection with the nature and scale of the organisation and the type of business carried out, suitable measures able to ensure the conduct of business in compliance with the law and the discovery and prompt elimination of risk situations (Article 7, paragraph 3 of the Decree).



The *efficient implementation* of the Model requires:

- a) a periodic review and possible amendment of the same when significant violations of the provisions are found or when there are changes to the organisation or activity (updating of the Model);
- b) a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

The adoption of an Organisation, Management and Control Model does not constitute an obligation for Entities but merely an option that, however, provides exemption from liability and other benefits in terms of reduction of sanctions.

#### **1.4.1 EXEMPTION FROM ADMINISTRATIVE LIABILITY WITH REGARD TO HEALTH AND SAFETY AT WORK**

With reference to manslaughter and serious or grievous bodily harm, committed in violation of the rules on protection of health and safety at work, Article 30 of Leg. Decree 81/2008 expressly refers to the Legislative Decree no. 231/2001, and provides, in particular, for exclusion from administrative liability for the Entity that has adopted and effectively implemented a model that ensures a corporate management system aimed at fulfilling all legal obligations relating to:

- compliance with the technical and structural standards of the law relating to equipment, facilities, workplaces, chemical, physical and biological agents;
- risk assessment and implementation of prevention and protection measures;
- organisational activities, such as emergencies, first aid, contract management, regular safety meetings, consultations with worker safety representatives;
- health surveillance activities;
- worker information and training;
- supervisory activities with regard to compliance with work safety procedures and instructions by workers;
- acquisition of documentation and certificates required by law;
- periodic verification of application and effectiveness of procedures adopted.

For all the activities listed above, the Model must provide for suitable systems recording implementation and also, insofar as required by the nature and size of the organisation and the type of activity carried out, an articulation of functions that ensures the technical skills and powers necessary for verification, evaluation, management and control of risk, and a disciplinary system able to sanction failure to comply with the measures specified therein. The Model must also envisage a suitable system to control its implementation and the maintenance over time of the conditions of suitability of the measures adopted. Review and possible modification of the Model must be adopted whenever significant violations of the rules relating to accident prevention and hygiene at work are found, or when there are changes in the organisation and activities in relation to scientific and technological progress.

## **2. SOURCES FOR CONSTRUCTION OF THE MODEL: CONFINDUSTRIA GUIDELINES FOR THE ADOPTION OF ORGANISATIONAL MODELS ON ADMINISTRATIVE LIABILITY**

By express legislative provision (Article 6, paragraph 3, of Legislative Decree no. 231/2001), organisation and management models can be adopted on the basis of codes of conduct prepared by the associations representing Entities, notified to the Ministry of Justice.

The preparation of this Model is inspired by the current Confindustria Guidelines, which were issued for the first time on 7 March 2002 and lastly updated in March 2014.

The Confindustria guidelines indicate a sequence that can be briefly summarised as follows:

- identification of areas of risk, in order to ascertain in which company area/sector it is possible for the adverse events to occur, provided for by Legislative Decree no. 231/2001;
- preparation of a control system capable of preventing the risks through the adoption of specific protocols. The most important components of the Confindustria control system are:
  - Code of Ethics;
  - organisational system;
  - manual and computerised procedures;
  - powers of authorisation and signature;
  - management control systems;
  - communication to personnel and training.

The components of the control system must be based on the following principles:

- verifiability, traceability, coherency and consistency of every transaction;
- application of the principle of separation of functions (no one can independently manage the entire process);
- documentation of controls;
- provision of an adequate system of sanctions for violation of the Code of Ethics, the Business Integrity Policy and procedures provided for by the Model;
- identification of the requirements of the Supervisory Body, summarised as follows:
  - autonomy and independence;
  - professionalism;
  - continuity of action.
- obligation of information on the part of the Supervisory Body.

For preparation of its Model, the Company has therefore explicitly taken into account of:

- provisions of the Legislative Decree no. 231/2001, of the accompanying ministerial report and of Ministerial Decree no. 201 of 26 June 2003 concerning the implementation regulations of Legislative Decree no. 231/2001;
- Confindustria guidelines;
- academic literature and case law to date.

Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

## SECTION TWO

### THE CONTENTS OF THE MAIRE S.P.A. MODEL

#### 1. ADOPTION OF THE MODEL

##### 1.1 THE ACTIVITIES AND ORGANISATIONAL STRUCTURE OF MAIRE S.P.A.

MAIRE carries out strategy-oriented and co-ordination activities regarding both the industrial set-up and the activities performed by its subsidiaries. In particular, MAIRE provides assistance to the companies in the Group regarding the setting of strategies, also with reference to the policies of Merger & Acquisition and cooperation agreements, local content, concerning *internal audit, governance and compliance, institutional relations, communication & sustainability*, investor relations, social responsibility, security, organization, development & compensation and technology.

MAIRE also coordinates and directs Group companies in matters regarding: legal, corporate affairs, human resources development and remuneration policy, industrial relations, procurement, administration, finance and management control, project control and contract management, system quality, HSE, project quality & risk management, general services, communication, as well as management and development of the Group's IT platform.

The organisational structure of MAIRE is described in detail in the company organization chart in which the Functions and corresponding Managers are identified. This organisational structure is continuously updated, to reflect any corporate evolution and/or changes, and it is the responsibility of the relevant functions of the Company to promptly inform the Supervisory Body.

The organisational system must respect the requirements of: (i) clarity, formalisation and communication, with specific reference to the attribution of responsibilities, the definition of hierarchical lines and the assignment of operations; (ii) separation of roles, i.e. the organisational structures are structured in such a way as to avoid any functional overlay and concentration on a single person of activities with a high level of criticality or risk.

In order to ensure that these requirements are met, the Company has organisational tools (organisational structure, organisational communication, job description, etc.) hinging on the general principles of: (i) knowledge within the Company; (ii) clear description of reporting lines; (iii) clear, formal outlining of roles, with a description of the tasks and responsibilities assigned to each Function.

As mentioned in the introduction, MAIRE is organised according to the traditional administration and control model, including the Shareholders' Meeting, Board of Directors and Board of Auditors. The Company is administered by a Board of Directors with full powers of ordinary and extraordinary administration, which has internally delegated specific powers to the Chairman of the Board of Directors and the Managing Director. The Company also has a system of proxies and powers of attorney.

The duties of the Board of Directors include the task of defining the guidelines for the internal audit and risk management system, comprising the rules, procedures and organisational structures aimed at assuring the identification, measurement, management and monitoring of the main risks. MAIRE acknowledges that the internal audit and risk management system has the essential task of helping safeguard the company's assets and ensure the effectiveness of corporate operations for the

Company and Group, in compliance with current laws and legislation.

The Board of Auditors has the task of monitoring compliance with the law and the Articles of Association, compliance with standards of correct administration and, in particular, the suitability of the organisational, administrative and accounting structure adopted by the Company and its concrete function.

In this context, the decision of the Board of Directors of MAIRE to adopt a Model fits into the broader Company policy - common to the entire Group - which is expressed by actions and initiatives to raise awareness of both MAIRE personnel (from management to all employees) as well as all Third Parties in the transparent and proper management of the Company, in compliance with current legislation and the fundamental principles of business ethics in the pursuit of the business purpose.

## 1.2 THE GUIDING PRINCIPLES OF THE MODEL

This Model has been prepared to reflect the specifics of the Company's activities and organizational structure, as well as specific instruments already existing in MAIRE aimed at planning the formation and implementation of business decisions and carrying out checks on company activities, and specifically the following:

- governance instruments;
- internal audit and risk management system.

### 1.2.1 GOVERNANCE INSTRUMENTS

In construction of the Model, MAIRE has taken into account the governance instruments of the organization of the Company which guarantee its functioning, developed in-house and at the Group level, in compliance with the rules contained in the Self-Regulatory Code promoted by the Committee for Corporate Governance of Borsa Italiana S.p.A., which can be summarised as follows:

- **Articles of Association**, which, in accordance with current legislation, contain various provisions relating to corporate governance to ensure the proper management.
- **Code of Ethics**: consisting of a set of general rules of conduct that all internal and external parties, which have a direct or indirect relationship with the Group, must adhere to. It has been adopted by the Company as a confirmation of the importance attributed to ethical profiles and to consistent conduct based on rigour and integrity.
- **Business Integrity Policy**: consisting of a set of rules of conduct, already included in the Document management system in force of the MAIRE group, aimed at fighting against corruption and preventing the risk of illegal practices. This Policy is applicable to all companies directly and indirectly controlled by MAIRE, in Italy or abroad, as well as all those other subjects who in one way or another come into contact with MAIRE Group.
- **Matrices** showing the levels of activation for Sister Companies that determine, by business segment, the thresholds beyond which there is a duty to involve the subsidiaries of the Parent Company and a corresponding obligation to respond on the part of the latter.
- **System of delegation of powers** and powers of attorney which establishes the assignment of general and special powers of attorney, powers to represent or commit the Company and,

through the system of internal delegation of powers, responsibilities with regard to aspects concerning quality, health & safety and the environment. Updating of the system of delegation of powers and powers of attorney takes place on review/modification of the organisational structure and/or of organisational memos or on notification by individual Organizational Units. The system of delegations regards both internal powers of authorisation, on which the company's decision-making processes depend as regards the operations to be implemented and the powers of representation for signing acts or documents intended for external use and which are binding on the Company (referred to as special or general "powers of attorney"). Delegations of powers must comply with the following requirements: (i) they must be clearly defined and formally assigned in the form of written communications; (ii) they must be consistent with the responsibilities and duties delegated and the positions held within the organisational structure; (iii) they must establish limits to operation in line with the roles assigned, with particular attention paid to spending powers and authorisation powers and/or of signature of operations and acts considered as "at risk" in the company scope; and (iv) they must be updated to reflect organisational changes.

- **Organisational memos and organisational communications** - allowing, at any time, the corporate structure, the distribution of fundamental responsibilities and also identification of the persons to whom these responsibilities are entrusted to be understood.
- **Group Standards and Procedures, policies and guidelines** on specific topics of relevance for all Group companies.
- **Integrated Quality, Health & Safety and Environment Management System** prepared by the Italian Sister Companies in compliance, respectively, with ISO 9001 and ISO 14001 and the international OHSAS 45001 standard.
- **Information security management system** prepared by the Company in compliance with the ISO/IEC 27001 standard.
- **Document management system in force** consisting of procedures and standards aimed at clearly and effectively regulating significant Company processes. The Document management system in force is established with the following characteristics: (i) suitable dissemination within the corporate structures involved in the activities; (ii) regulation of the terms and conditions for the conduct of activities; (iii) clear definition of responsibilities for activities, in respect of the principle of separation between the subject who starts the decision-making process, the subject who implements it and concludes it and the subject who controls it; (iv) traceability of acts, operations and transactions through suitable document supports showing the characteristics and reasons for the operation and identifying the various subjects involved in the operation (authorisation, implementation, registration and verification of the operation); (v) making the decision-making processes objective, through the provision, where possible, of defined reference criteria and methods for implementing company choices; and (vi) provision for specific control mechanisms (such as reconciliation, balancing, etc.) as to ensure the integrity and completeness of the data managed and information exchanged under the scope of the organisation.
- **Contract of Direction** with which the Parent Company carries out certain services and activities in favour of the Sister Companies for specific sectors through an agreement that specifies the nature of the services rendered and the relative economic performance recognised as remuneration for the service.

- **Service Contracts**, formally regulating the provision of services rendered by Sister Companies to MAIRE, ensuring transparency of the services provided and the related costs.
- Further specific instruments - job descriptions, etc.

The rules, procedures and principles contained in the documentation listed above, although not set out in detail in this Model, are a valuable tool for monitoring illegal conduct in general, including those referred to in Legislative Decree no. 231/2001, which is part of the broader system of organisation, management and control that the Model intends to incorporate and that all Recipients are required to respect, in relation to the type of relationship in place with the Company.

### 1.2.2 INTERNAL AUDIT AND RISK MANAGEMENT SYSTEM

The existing Internal audit and risk management system implemented by MAIRE, among other things as a result of the transposition of and adaptation to the recommendations and standards contained in the Code of Corporate Governance, is a comprehensive and structured set of activities, procedures, rules of conduct, service communications and organisational structures aimed at the ongoing monitoring of the main risks of the Company. This system penetrates all company activities, involving different parties.

The main objectives of the Company's Internal audit and risk management system are to ensure with reasonable certainty the achievement of operational, information and compliance objectives:

- the operational objective concerns the effectiveness and efficiency of the Company in employing resources, protecting itself from losses and safeguarding the Company's assets: in this case, the Internal Control and Risk Management System aims to ensure that throughout the organisation the personnel work to achieve the Company's objectives and without putting other interests before those of the Company;
- the information objective is expressed by the preparation of timely and reliable reports for the decision making process in the organisation and also responds to the need to ensure reliable documents for outside the Company, in compliance with the protection of confidentiality of corporate information assets;
- the compliance objective ensures that all transactions are conducted in compliance with laws and regulations, prudential requirements, as well as relevant internal procedures.

The internal audit and risk management system involves every sector of Company activities through distinction between operational and control tasks, reasonably mitigating any possible conflicts of interest.

The basis of this control structure are the following general principles:

- every operation, transaction or action must be documented and consistent;
- traceability: each operation must be suitably recorded. The decision-making, authorisation and implementation process must be verifiable ex post, including through suitable documentary evidence and, in any case, the cases and methods of any possible deletion or elimination of the records made must be regulated. In compliance with the general principle of the traceability

of all operations, for the prevention of certain types of crime, including money laundering and self-laundering, special attention is paid to the need for all Company cash flows to be suitably traced (both incoming and outgoing), not just those referring to normal corporate operations (receipts and payments), but also those relating to financial needs (financing, cover of risks, etc.), extraordinary or capital transactions (mergers, acquisitions, sales, capital increases, liquidations, share trades, etc.);

- no one must be able to independently manage an entire process<sup>2</sup> (segregation of duties).

The internal risk management and control system must be able to document the performance of controls, including supervision.

Controls shall also involve, in different roles, the Board of Directors, the Board of Statutory Auditors, the Control and Risk Committee and the Manager responsible for preparing the company's financial reports, under the scope of and in accordance with the provisions of the law, legislation and current codes of conduct, as well as specific corporate Functions in charge of the internal control and risk management activities, for all processes for which they hold managerial responsibility.

The existing type of company control is structured, as provided for by the COSO Report<sup>3</sup>, and as suggested in the AIIA (Italian Association of Internal Auditors) Corporate Governance Paper - Integrated approach to internal control system - on three levels:

- **a first level** that defines and manages the so-called line controls, inherent in the operational processes: these are those procedural, IT, behavioural, administrative-accounting controls, etc. carried out both by those who carry out a specific activity, and by those responsible for supervision. All company functions perform such direct controls in the management of their responsibilities (operational management, process owners, OUMs for that part of operational activities carried out by the same etc.); these are both hierarchical and functional controls aimed at ensuring the proper conduct of operations.
- **a second level** that oversees the assessment and risk, control process, ensuring its consistency with corporate objectives, complying with the criteria of organisational segregation sufficient to allow effective monitoring. These types of controls are carried out, for example, by the Manager responsible for preparing corporate accounting documents (the "Financial Reporting Manager"), by the Functions in charge of managing the HSE, Quality and Risk Management, etc.
- **a third level** that guarantees the soundness of the design and operation of the Internal audit and risk management system. The third level is, moreover, characterized by continuous improvement plans defined with and by Management<sup>4</sup>. This activity is carried out by the Company's Supervisory Body and by Internal Audit through monitoring of line risks and controls in place.

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<sup>2</sup> The term business process implies a set of interrelated and consequential activities whose aim is to create a product/service intended for an internal or external party, using the resources of one or more organisational units.

<sup>3</sup> Framework, issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO), which defines the components of the internal control system.

<sup>4</sup> This includes both Operational Management (Function Managers) as well as Top Management (MANAGING DIRECTOR, Board of Directors, etc.), according to the subject and the importance of the topics in question.

Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

The existing corporate governance and control system contains valid elements to be used for the prevention of crimes contemplated by the Decree. In any case, the Board of Directors, sensitive to the need to ensure conditions of fairness and transparency in the conduct of business and corporate activities, with the aim of safeguarding the expectations of its shareholders and the work of its employees, making use of the appropriate corporate functions and with the support of the Committee overseeing the Internal Audit and Risk Management System (the so-called “**SCIR Committee**”) and the Control, Risk and Sustainability Committee (“**CCRS Committee**”) monitors the organisational, management and control tools, in order to verify the matching of the behavioural principles and procedures already adopted with the purposes provided for by the Decree as amended in recent years, where necessary, adapting them in order to make them compliant with the aforementioned purposes. Such verification is carried out regularly in order to systematically monitor the correspondence of said principles with the objectives of the Decree.

### 1.2.3 METHODS FOR THE MANAGEMENT OF FINANCIAL RESOURCES

The financial resource management system must ensure the separation and independence between subjects involved in deciding how to use resources, those implementing said decisions and those in charge of controlling their use.

In order to implement decisions of use, the Company uses financial and banking intermediaries subject to transparency and stability regulations in compliance with those adopted by EU Member States.

All operations entailing the use of financial resources must have sufficient grounds and be documented and recorded using manual and computerised means, in compliance with standards of professional and accounting correctness; the related decision-making process must be verifiable.

### 1.3 CONSTRUCTION OF THE MODEL

The decision of the Board of Directors of MAIRE to adopt a Model fits into the broader Company policy which is expressed by actions and initiatives to raise awareness of both MAIRE personnel (from management to employees) as well as all Third Parties in the transparent and proper management of the Company, in compliance with current legislation and the fundamental principles of business ethics in the pursuit of the business purpose.

The “construction” of this Model started from the analysis of the system of governance, of the organisational structure and of all the inspiring principles referred to in paragraph 1.2 above and took into explicit consideration the indications currently found in case law, together with those expressed by Trade Associations (typically Confindustria) and industry *best practice*.

The Model construction process was thus developed in various stages, based on compliance with the principles of traceability and verifiability of activities carried out.

The starting point was identification of the **map of high risk activities**, i.e. the activities carried out by the Company in the context of which crimes may be committed, as expressly provided for by the Decree.

Evaluation of the Internal audit and risk management system to monitor identified risks, adoption of the **Code of Ethics**, of the **Business Integrity Policy** and of specific **Protocols**, designed to govern



the risk profiles enucleated as a result of the mapping of company activities, was then carried out, as required by the Decree.

In compliance with the provisions of Article 6, paragraph 2, letter d) and letter e) of the Decree, the Company then proceeded to:

- define the characteristics, roles and tasks of the **Supervisory Body**, specifically responsible for overseeing the effective implementation of the Model and its monitoring in terms of adequacy and effectiveness;
- outline a **sanctioning system** in relation to all violations of the Model;
- define the methods of **dissemination** of the Model and related staff training;
- define the procedures for **updating** the Model.

### **1.3.1 THE MAP OF ACTIVITIES AT RISK**

The MAIRE Model is based on identification of the map of high risk activities, i.e. the activities in the context of which crimes may potentially be committed, as expressly provided for by Article 6, paragraph 2, letter a) of the Decree.

The mapping of activities at risk was achieved by assessing the specific operational areas and the organizational structure of the Company, with reference to concrete potential crime risks.

The method adopted in preparing the Model, and in its subsequent updates, saw the involvement of an integrated Working Group that involved numerous Managers of Company Functions in a multidisciplinary working table, comprising as follows: *Group Corporate Affairs, Governance & Compliance – Financial Controls - Legal Affairs & Contracts – Group Organization, ICT & System Quality – Group HSE&SA and Project Quality– Group Internal Audit.*

The integrated Working Group involved the key owners of the Company's processes and activities, sensitised even more with respect to the approach taken to risk and the use of levers enabling the maximisation of risk management.

The integrated Working Group benefited from the support of a consulting firm with risk management and internal control, legal and criminal expertise.

Below are the methods applied and criteria adopted in the latest update of the mapping of risk activities (risk assessment).

#### **1.3.1.1. Preliminary analysis of the business context**

This stage aimed to ensure the preliminary examination, by means of document analysis and interviews with the key owners and parties informed within the business structure, of the organisation and activities carried out by the various Company Functions and the processes into which the activities are structured.

The purpose of the phase in question was the prior identification of processes, sub-processes and business activities and therefore identification of areas of risk or business areas within which crimes may be committed.

Company resources responsible for the above mentioned business processes and existing control mechanisms have then been identified, which were interviewed by the Working Group in order to update a Model adhering as closely as possible to the specific operational areas and organisational

structure of the company, with reference to potentially concrete crime risk.

In fact, the interviews, are also aimed at strengthening the process of raising awareness of the provisions of Legislative Decree no. 231/2001, to the activities of Company adjustment to that Decree and to the importance of compliance with the internal rules adopted by the Company for the prevention of crimes, were conducted with the objective of identifying and updating the processes and activities potentially at risk of commission of crimes provided for in the Decree, as well as existing measures to mitigate said risks.

### **1.3.1.2. Identification of the areas of business and business prices at “risk of crime”**

Through the above preliminary analysis of the business context, the following have been identified:

- the areas of activities that are “sensitive” to the commission of crimes, namely the activities under which scope opportunity may theoretically arise to act in the unlawful ways established by the Decree;
- the “instrumental” processes to the commission of the crimes under the Decree, namely the processes under which scope, by way of principle, the conditions and/or tools to commit the crimes may arise.

The analysis, reported in the “mapping of sensitive activities and instrumental processes” in Annex 2, involved the activities sensitive to the committing of some of the crimes pursuant to Articles 24 and 25 of the Decree (Crimes against the Public Administration and property of the State or of another Public Body or of the European Union), Article 24-bis (computer crimes and unlawful data processing), Article 24-ter (organised crime), art. 25-bis (forgery of money, public credit cards, revenue stamps or identification instruments or marks), art. 25 bis-1 (offences against industry and trade), Article 25-ter (corporate crimes, including the crime of corruption between private individuals and incitement to corruption between private individuals), Article 25-quater (crimes of terrorism), Article 25 quinquies (Crimes against individuals), Article 25-sexies (Crimes of misuse or unlawful disclosure of inside information), Article 25-septies (crimes of manslaughter and serious or grievous bodily harm, committed in violation of the rules on protection of health and safety at work), Article 25-octies (handling, recycling and use of money, goods or assets of illicit origin and money laundering), some of the crimes (more specifically, the offence of misuse or falsification of non-cash payment instruments covered by Article 493 ter of the Italian Penal Code and the fraudulent transfer of property covered by Article 512 bis of the Italian Penal Code) concerning non-cash payment instruments Article 25 octies.1, pursuant to Article 25-novies (crimes involving the violation of copyright), Article 25-decies (induction to not make statements or to make false statements to the judicial authorities), Article 25-undecies (environmental crimes), Article 25-duodecies (use of third-country citizens whose stay is irregular), pursuant to Article 25-quinquiesdecies (Tax crimes) of some of the crimes (more specifically, those provided for by Articles 518 octies of the Italian Penal Code and 518 duodecies of the Italian Penal Code) Article 25-septiesdecies (crimes against the cultural heritage).

On the other hand, with reference to the crimes referred to 25-quater.1 (crime of female genital mutilation practices), 25-sexiesdecies (smuggling), 25-duodevicies (crimes of laundering cultural assets and destruction and looting of cultural and landscape assets), and some of the Crimes referred to in the categories of the previous paragraph that are not listed in Annex 2, the principles, provisions and behavioural rules contained in the Group’s Code of Ethics, the Business Integrity Policy and in this General Part of the Model are considered valid and adequate.

Finally, for the crimes concerning racism and xenophobia under Article 25-terdecies, the offence of failure to communicate or untruthful communication of information, data, factual elements relevant to the national cyber security perimeter referred to in Article 24-bis and the crimes of fraud in sports competitions, abusive gambling or betting practices and games of chance exercised by means of prohibited equipment pursuant to Article 25-quaterdecies, not shown in Annex 2, although their abstract verifiability cannot be ruled out entirely, their actual realization is unlikely, both in consideration of the operational reality of the Company, and in consideration of the elements necessary for the realization of the crimes in question (with particular reference to some of the psychological element of the crime).

As regards the crime of association with the attempt to commit a crime, pursuant to Article 416 of the Penal Code, the analysis focused on the profiles of the traceability of those situations to the crimes considered in mapping the activities and instrumental processes.

In short, despite not being able to entirely exclude the reference of criminal association also for different crime types to those being mapped, the analysis carried out has led to the consideration, in priority terms, in compliance with the principle of acceptable risk and cost-effectiveness of internal control processes, the profiles of the activities typical of the Company's operating context.

Therefore, without prejudice to the examples of crimes identified in the mapping with respect to the individual activities and sensitive processes and without prejudice to the standards of conduct and control identified in this Model (developed in compliance with the principle of the compulsory nature of the crimes envisaged), the crime pursuant to Article 416 of the Penal Code is considered according to the "association" nature with which the crime may be committed. In concrete terms, consideration is taken of the fact that the crime may hypothetically be committed or even only planned by three or more subjects in the organisation or outside its scope (e.g. in relations with suppliers or business partners).

Following the transposition of Directive (EU) 2017/1371 (so-called "PIF Directive"), always limited to the types of offence already identified in the mapping, this meaning is considered to include also the cases of pursuit of illegal purposes detrimental to the financial interests of the European Union.

With regard to the crime of "self-laundering" introduced by Law 186/2014 sub Article 25-octies of Legislative Decree. 231/2001, the analysis, in the light of the strict compliance with the principles expressed in Article 2 and 3 of Legislative Decree 231/2001, with particular reference to the mandatory nature of the underlying cases, was conducted according to two profiles:

- considering the crime of self-laundering as a method by which, as part of the economic-entrepreneurial activity of the Company, cash, assets or other benefits, may be used, replaced or transferred, which already constitute situations envisaged in accordance with Italian Legislative Decree no. 231/2001 mapped in the risk analysis. In concrete terms, the crime of self-laundering may be considered in this sense as an "instrumental" crime to the situations envisaged, as already mapped. In these terms, the standards of conduct and control of the "source" crime of self-laundering, with exclusive reference to the categories of crime that are included on the list envisaged in accordance with Italian Legislative Decree no. 231/2001, are those established in the Special Part of the Model;
- also considering self-laundering with attention paid to the time at which the crime is committed, with special reference made to the modal clause of the standard, which highlights, for the crime of self-laundering to be committed, the need for conduct aimed at actually hindering the identification of the criminal origin of the money, goods or other benefits deriving

from the commitment of any offence punishable by imprisonment of a maximum of more than one year or a minimum of six months (and, therefore, including any that may not have been mapped).

In these terms, the analyses focussed on the traceability of cash flow and treasury, as these are the processes in which hindrance of the identification of criminal origin can specifically take place, with special, but not exclusive reference to flows connected with extraordinary operations, such as mergers, acquisitions, sales of business units, shareholder loans or intercompany loans, investments and asset or investment management, etc.

In this respect, further standards of conduct and control have been added to the Special Part of the Model.

For the areas of activities and instrumental processes defined and identified as sensitive, the potential situations of crime risk have been identified, along with the possible methods by which they can be carried out and the main business functions involved. The potential risk level associated with each sensitive activity/process (inherent risk) was therefore assessed, using a risk assessment method based on the following elements:

- identification and weighting of the two macro axes for risk analysis;
- probability axis, indicative of the level of possibility that the event at risk should occur;
- impact axis, indicative of the consequences of the development of the event at risk;
- assignment and weighting, for each of the macro axes, of specific assessment parameters, according to the following model:

for probability:

- frequency of occurrence/carrying out of the activity described and other relevant economic-quantitative indicators of the business process or activity (e.g. economic value of the operations or acts implements, number and type of subjects involved, etc.);
- probability of occurrence, in the operative context, of the crime hypothesised (e.g. presumed “ease” of acting in the criminal manner with respect to the reference context);
- any history of the crimes being committed in the Company or, more generally, in the sector in which it operates.

For the impact axis:

- severity of the sanctions potentially associated with the committing of one of the crimes envisaged by Italian Legislative Decree no. 231/2001 in going about the activity;
- potential benefit ensuring for the Company following the commitment of the unlawful conduct hypothesised and which may constitute leverage for the commitment of the unlawful conduct by the company staff;
- assignment of a score to each assessment parameter on the basis of a qualitative scale (e.g. very low - low - medium - high - very high);

Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

- definition of final score (for the axis and total) and assignment of a summary judgement of the risk according to this, qualified as follows: RED - high risk, YELLOW - medium risk, GREEN - low risk.

It should be noted that the above variables have been used in order to define a general degree of risk associated with the individual sensitive processes/activities (defined as the “risk ranking”).

The risk map has been shared by the Working Group with the Function Managers interviewed and thereafter with the Supervisory Body, the top management and the Risk Control and Sustainability Committee, as well as having been approved by the Board of Directors.

With reference to the crimes referred to in Article 25-septies of Legislative Decree no. 231/2001 - crimes committed in violation of the accident prevention and health and safety at work regulations (negligent homicide and serious or very serious personal injury), given the technical specificity of the individual obligations in terms of health and safety at work required by Legislative Decree 81/2008, the detailed assessment of which is also reflected in the Risk Assessment Document adopted by the Company, the above analysis variables were not applied. By virtue of the specificity of the perimeters analysed, for these areas, reference is made to the risk assessment given in the Risk Assessment Document adopted in accordance with Italian Legislative Decree no. 81/2008.

With reference to the offence referred to in Article 346-bis of the Penal Code (trafficking in illicit influences), in view of the fact that the Supreme Court has also clarified that “the crime referred to in Article 346-bis of the Italian Penal Code punishes conduct preparatory to the commission of any bribery... it being understood that the money and assets must be aimed at those who are called upon to exercise influence and not at the person who exercises the public function” (see the Criminal Cassation, Sec. VI, no. 4113/2016) and that, therefore, this case is precursor to the possible and subsequent commission of the crimes referred to in Articles 319 and 319-ter of the Italian Penal Code, the maximum level of scoring provided for in relation to the crimes of bribery/corruption to corruption has been applied to the analysis variables set out above.

In accordance with the provisions of Article 6, paragraph 2, letter a) of Legislative Decree 231/2001 the **areas of business activities identified as being at risk**, i.e. within which there may be a potential risk of commission of the crimes provided for in the Decree, are given.

In particular, the following areas of risk have been identified:

1. Management of monetary and financial flows;
2. Human Resources;
3. Management of obligations and relations with the Public Administration and Supervisory Authorities;
4. Management of litigation and settlement agreements;
5. Procurement of goods and services;
6. Consultancies and professional assignments;
7. Applications for and management of public loans;
8. Accounting management and preparation of the financial statements;
9. Management of relations with corporate bodies, control bodies, shareholders and extraordinary capital transactions;

10. Management of M&A operations, establishment and extinction of companies;
11. Management of privileged information;
12. Management of intercompany relations;
13. Management of corporate communication;
14. Management of information systems and ICT property rights;
15. Health and safety at work;
16. Compliance with environmental obligations;
17. Management of institutional relations and communication, promotion of corporate image, business and project development, strategic start-up and coordination of development activities in the reference geographical areas.

With regard to the above, it should be noted that the MAIRE model provides for outsourcing of business activities, or parts of thereof, to other Group companies.

Outsourcing of the activities mentioned is formalized through the stipulation of specific agreements that allow MAIRE to take every decision in exercising its autonomy, while maintaining the necessary skills and responsibility for the activities relating to outsourced services and consequently to maintain the powers of direction and control of outsourced activities.

Therefore, for all activities that are carried out (in whole or in part) in *outsourcing by Sister Companies*, the control measures seek to ensure compliance with:

- the provisions of this Model;
- the additional requirements contained in the Models and the procedures adopted by each individual Group company.

The supervision by MAIRE aims to check that, in the activities carried out by the outsourcer; said rules are complied with, with specific reference to their application directly attributable to the activity of MAIRE.

A detailed analysis of the potential risk profile associated with the “sensitive” activities and “instrumental” processes identified (opportunity, description of the risk, main Functions involved, associated situations) is given in the “mapping of sensitive activities and instrumental processes” available in Annex 2, whilst Annex 3 gives the methods and drivers with which the risk assessment has been organised.

With the support of the Supervisory Body, the Group Corporate Affairs, Governance & Compliance and the competent company Functions, company management has been assigned the task of guaranteeing the continuous updating of the “mapping of senior management and instrumental processes”, to be carried out particularly carefully at time of company change (e.g. opening of new offices, extension of activities, acquisitions, reorganisations, etc.) and/or legislative updates.

### 1.3.2 THE PROTOCOLS

Following the identification of the activities at risk and on the basis of the relative existing control system, the Company has drawn up **specific Protocols**, in compliance with the provisions of Article 6, paragraph 2, letter b) of Legislative Decree no. 231/2001, which contain a set of control and conduct rules and principles deemed suitable to govern the identified risk profile.

Within the scope of each Protocol, the following are identified:

- objectives of the document;

- scope of application;
- principles of conduct;
- principles of control;
- information flows to the Supervisory Body.

The control principles contained in the Protocols refer to:

- authorisation levels;
- functional segregation of authorisation, operational and control activities;
- specific controls;
- traceability of the decision-making process and filing of supporting documentation.

The Protocols have been submitted to the examination of those responsible for the management of activities at risk for their assessment and approval.

The definition of the Protocols is completed and supplemented by the Code of Ethics, the Business Integrity Policy and the Document management system in force, to which the Company intends to align the management of its activities in relation to conduct that may constitute the crimes governed by Legislative Decree no. 231/2001.

Ethical principles are the foundation of corporate culture and represent the standards of everyday conduct inside and outside MAIRE.

In particular, the Company undertakes to:

- operate in compliance with the law and current regulations;
- to base relations with the Public Administration and with Private Parties on ethical principles such as legality, loyalty, transparency and correctness;
- maintain in relations with customers, suppliers, contractors and third parties in general a behaviour
- based on ethical principles such as legality, loyalty, transparency and fairness.

Clearly, this document system, just like the organisational and governance system, is, by nature, dynamic, insofar as it is subject to the changing operative and managerial needs of the business, including, merely by way of example, organisational changes, altered business needs, changes to the reference legislative systems.

The dynamism of the document system implies its continuous updating, which is reflected in the event of significant changes pursuant to Legislative Decree no. 231/2001 and the associated risk profiles, in the need to adapt this Model.

The document system as a whole is compulsory and no exceptions can be made, for all the Recipients of this Model. It hinges on compliance with the standards of conduct and control laid out in this Model, specifies both the general and timely operating elements with which the Company organises and controls management activities.

Furthermore, the document system is the primary tool by which the Managers of the various corporate Functions direct and control the corporate management including delegation to the level of operational practice, to be performed in compliance with the principles established by this Model, by the Code of Ethics and by the Business Integrity Policy.

The document system is suitably disseminated and made available to all the Model Recipients in the Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

ways considered most appropriate (e.g. through network spaces dedicated to the procedures applicable in the various Functions, internal communication, etc.).

In addition to the above, and with specific reference to the prevention of tax crimes, the Company has adopted a tax control framework (TFC) and follows the cooperative compliance scheme under Italian Legislative Decree No. 128/2015, furthermore, the policies, procedures, operating instructions and representation of logical process flows are defined at Group level. These govern management and administrative-accounting processes, including those relating to tax management, and the passive and active cycle processes.

In addition, as part of the internal control system for financial reporting in compliance with Law no. 262/05, the Parent Company's relevant Functions define and update the scoping of this compliance framework for the various Group companies.

Therefore, for the companies which from time to time fall within these boundaries of applicability, the first and second level controls and the logics aimed at ascertaining the effectiveness of the design and their correct application are also formalised, to be applied to the various management and administrative-accounting processes.

Within this internal Control System, in addition to that set forth in the TCF, the focus is on both the direct and deferred tax calculation processes that feed into the tax returns, as well as the "upstream" administrative-accounting processes, including the passive and active cycles.

Third-level controls can be performed on all processes identified in the Protocols, in the framework of compliance with Law no. 262/2005 and in the TCF by the *Group Internal Auditing Function*, which, acting in complete autonomy and independence from the Functions that manage operational processes, can periodically monitor the areas deemed worthy of analysis on each occasion, as part of the audit programs approved by the Board of Directors.

## 2. SUPERVISORY BODY

### 2.1 CHARACTERISTICS OF THE SUPERVISORY BODY

The exemption from administrative liability - as regulated by Article 6, paragraph 1 of Legislative Decree no. 231/2001 – also provides for the mandatory creation of a Supervisory Body within the Entity, with both autonomous power of control (which allows constant monitoring of the functioning of and compliance with the Model), and autonomous power of initiative, to guarantee updating of the Model itself, in order to ensure effective and efficient implementation of the Model.

The characteristic of **autonomy of the powers of initiative and control** of the SB is met if:

- the SB is guaranteed hierarchical independence with respect to all corporate offices which it is called upon to supervise;
- its members are not directly involved in management activities that are subject to control by the Body itself;
- it has financial independence.

The Supervisory Body must therefore remain outside all forms of interference and pressure by senior management and shall in no way be involved in the exercise of operating activities and management decisions. The SB shall not find itself in a situation of conflict of interest and the Body as a whole, but also individual members, must not be assigned operational tasks that may affect its autonomy. The



Supervisory Body must report to the senior operative management of the Company and with this must be able to dialogue “on equal footing”.

In addition to the autonomy of powers provided for by the Decree, the Company has also decided to adhere to the Confindustria Guidelines, as well as the rulings of the judiciary on the subject, who have also indicated the requirements of professionalism and continuity of action as being necessary.

With regard to the requirement of **professionalism**, it is necessary that the SB is able to carry out its inspection functions with regard to the effective application of the Model and, at the same time, has the necessary qualities to ensure the dynamism of the Model itself, through update proposals to be addressed to the Board of Directors. The members of the SB must be in possession of the tools and techniques necessary to concretely, effectively go about the activities assigned. The professionalism and authority of the Body are then connected with its professional experience. In this sense, the Company believes that a careful examination of the CVs of possible candidates and their previous experience is particularly important, privileging profiles with specific professional skills in the area.

Finally, with regard to **continuity of action**, the Supervisory Body must ensure constant monitoring and updating of the Model and its variation with changing company conditions of reference and be a constant point of reference for the Model. The SB carries out the activities necessary to supervise the Model constantly, with suitable commitment and the necessary powers of investigation.

## 2.2 IDENTIFICATION OF THE SUPERVISORY BODY

Bearing in mind the magnitude and complexity of its structure and of the activities carried out, the Board of Directors has decided to set up a collegiate three-member body, one of whom acts as the Chairman, in order to ensure greater effectiveness of controls delegated by Decree to the SB.

With the exception of the Chairman, who must necessarily be external to the organisation, the remaining members of the Supervisory Body, always in compliance with the requirements of independence, authoritativeness and autonomy of powers of initiative and control, may be either internal or external to the organisation, thereby ensuring the contribution of different skills.

The Supervisory Body is appointed by the Board of Directors and remains in office for a period not exceeding **three years**, regardless of the term of office of the Board of Directors itself. Each member of the Supervisory Body may be re-elected, but consecutively not for more than **three terms**.

Appointment as a member of the Supervisory Body is determined by subjective eligibility requirements, whose presence and permanence are ascertained by the Board of Directors case by case.

First of all, members of the Supervisory Body of MAIRE, for the purposes of assessment of the **requirement of independence**, from the time of appointment and throughout the term of the office, must not:

- hold executive or delegated powers in the Board of Directors of the Company;
- carry out, within the company, operational activities directly related to the business and/or operational management activities of the Company such as to cause a change in the profit and loss of MAIRE. The existence or otherwise of the requirement of independence, in such cases, must be determined by considering the function of the internal member of the SB and

the duties and responsibilities attributed to the same;

- be part of the family nucleus of executive directors or the shareholder or of one of the shareholders of the controlling group, where by family nucleus is meant that consisting of the not legally separated spouse and of relatives and kin up to the fourth degree.

In addition, the Company has determined that members of the SB must satisfy the **requirements of professionalism and integrity** envisaged for Directors and, in particular, those envisaged by Article 147-quinquies of Italian Legislative Decree no. 58/1998<sup>5</sup>.

Any dismissal of the members of the Supervisory Body may only be arranged for reasons related to serious breaches with respect to the mandate assumed, including violations of confidentiality obligations (also with reference to what is regulated by Article 6, paragraph 2, letter e) of Legislative Decree no. 231/2001) and the causes of ineligibility mentioned above. By mere way of example, just cause for dismissal of members of the SB are proven gross negligence and/or gross incompetence in monitoring the correct application of the Model and on its observance, as well as - more generally - in the performance of their mandate.

Revocation of the mandate must, in any case, be decided by the Board of Directors of the Company with a document clearly specifying the reasons for the decision taken.

Members of the Supervisory forfeit their office when, following their appointment, they come to be:

1. in one of the situations referred to in Article 2399 of the Civil Code paragraph 1 letters a), b) and c) and in particular:
  - a. those who are in the conditions provided by Article 2382 of the Civil Code (persons

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<sup>5</sup> "Subjects carrying out administrative and management tasks must have the requirements of integrity (\*) established for members of control bodies, with the regulation issued by the Ministry of Justice in accordance with Article 148, paragraph 4". (Regulation no. 162 of 30.3.2000).

(\*) Requirements of integrity:

Article 2 of Regulation no. 162 of 30.3.2000

1. The office of auditor of the companies indicated in Article 1, paragraph 1, may not be covered by those who:
  - a) has been subjected to preventive measures ordered by the judicial authority pursuant to the Law of 27 December 1956, no. 1423, or of the Law 31 May 1965, no. 575 and subsequent amendments and additions, subject to the effects of rehabilitation;
  - b) has been sentenced with irrevocable sentence, without prejudice to the effects of rehabilitation:
    - 1) to imprisonment for one of the crimes envisaged by the rules governing banking, financial and insurance business and by rules governing markets and financial instruments, tax matters and payment instruments;
    - 2) to imprisonment for one of the crimes envisaged under title XI of book V of the Civil Code and Royal Decree no. 267 of 16 March 1942;
    - 3) to imprisonment for a term of not less than six months for a crime against the Public Administration, public trust, property, public order or the public economy;
    - 4) to imprisonment for a term of not less than one year for any crime/contravention. .
2. The office of Statutory Auditor in the companies referred to in Article 1, paragraph 1, cannot be held by anyone to whom, at the request of the parties, any of the penalties envisaged by paragraph 1, letter b) has been applied, save for the case of the extinguishing of the crime.

disqualified, incapacitated, bankrupt or convicted with a sentence leading to disqualification, even temporary, from public offices or incapacity to hold management positions);

- b. the spouse, relatives and similar by the fourth degree of the directors of the Company, the directors, the spouse, relatives and the like within the fourth degree of the directors of the companies controlled by this company, of the companies that control it and those subject to common control;
2. convicted with a definitive sentence (meaning by sentence also that pronounced pursuant to Article 444 of the Code of Criminal Procedure) for one of the crimes indicated in the requirements of integrity mentioned above.

Grounds for dismissal from the function of member of the Supervisory Body are also constituted by:

1. conviction with non-definitive sentence for one of the crimes indicated in the requirements of integrity specified above;
2. the application of one of the penalties envisaged for one of the crimes indicated in the requirements of integrity specified above;
3. application of a personal precautionary measure;
4. provisional application of one of the precautionary measures provided for by Article 10, paragraph 3 of Law no. 575 of 31 May 1965, as replaced by Article 3 of Law no. 55 of 19 March 1990, as amended, and accessory administrative sanctions provided for by Article 187-quater of Legislative Decree 58/1998 (Consolidated Finance Act).

Finally, the following constitute further grounds for ineligibility or disqualification for members of the SB with respect to those previously outlined:

- a) having been subjected to precautionary measures imposed by the court pursuant to the law on prevention measures against persons representing a threat to security and public morality (Law no. 1423 of 1956) or Law no. 575 of 1965 (provisions against the Mafia);
- b) being under investigation or convicted, even with non-definitive sentence or one issued pursuant to Article 444 et seq. of the Code of Criminal Procedure (plea bargain) or also with a conditionally suspended sentence, without prejudice to the effects of rehabilitation for one or more crimes among those specifically provided for by Legislative Decree no. 231/2001.

Finally, note that forfeiture of office of members of the SB automatically takes place from the moment of occurrence of the cause that produced it, without prejudice to the other obligations described below.

The appointment of members of the Supervisory Body by the Board of Directors takes effect only upon issue by each member of formal written acceptance of the assignment that also contains a statement concerning existence of the requirements prescribed by the Model and, in particular, those of eligibility, professionalism, autonomy and independence.

Each member of the Supervisory Body may renounce office at any time upon notice to be submitted in writing to the Board of Directors and Board of Auditors and copy to the other members.

In the event of a supervening cause of forfeiture of office, the member of the SB concerned must immediately notify the Board of Directors in writing, with copy to the Board of Statutory Auditors and

to the other members of the Supervisory Body itself. Also in the absence of such notice, each member of the Supervisory Body who becomes aware of the existence of a cause of forfeiture on the part of another member, must give timely notice in writing to the Board of Directors with copy to the Board of Statutory Auditors in order for the same to take the necessary measures as appropriate.

In the event of resignation, incapacity, death, dismissal or forfeiture of a member of the SB, the Board of Directors decides the appointment of the substitute, without delay.

In the event of resignation, incapacity, death, dismissal or forfeiture of the Chairman, the latter is replaced by the oldest member who remains in office until such time as the Board of Directors decides the appointment of the new Chairman of the SB.

During any period of vacancy due to one of the events outlined above, the remaining members of the Supervisory Body remain in office with the obligation to request the Board of Directors to swiftly proceed with the appointment of the missing member.

### **2.3 DEFINITION OF THE DUTIES AND POWERS OF THE SUPERVISORY BODY**

The provisions of Article 6, paragraph 1, letter b) of the Decree expressly state that the duties of the SB are to supervise the functioning and observance of the Model, as well as to ensure its updating.

In particular, the SB must perform the following specific tasks:

- a) **supervise the functioning of the Model and observance of the provisions contained therein** by the Recipients, verifying consistency between actual behaviour and that defined by the Model. More specifically it must:
- verify the adequacy of organisational solutions adopted for implementation of the Model (definition of standard clauses, training of administrators and attorneys, disciplinary measures, etc.), with the support of the appropriate company and/or Group structures;
  - notify the need to adopt procedures for implementation of the control system;
  - prepare the regular audit plan;
  - carry out periodic audits, as part of the approved plan, of activities or transactions identified in the areas at risk;
  - perform targeted audits on certain transactions or specific and significant actions put in place by the Company in the areas of risk, as well as on the system of delegations and powers in order to ensure continued effectiveness of the Model;
  - promote regular meetings (at least once a year) with the Board of Statutory Auditors and the Independent Auditors for exchange of information relevant to supervision of the functioning of the Model;
  - promote appropriate initiatives for the diffusion of knowledge and understanding of the principles of the Model;
  - define appropriate information mechanisms providing for an e-mail address and identifying the information that must be transmitted to the SB or placed at its disposal;
  - collect, examine, process and store information relevant to compliance with the Model;
  - assess reports of possible violations and/or breaches of the Model;

Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

- promptly report to the management body (Board of Directors), for implementation of the appropriate disciplinary measures with the support of the competent Company functions, ascertained violations of the Model that could give rise to liability of the Company and propose any sanctions;
  - verify that the violations of the Model are effectively and appropriately sanctioned in accordance with the sanctions system adopted by MAIRE.
- b) **Monitor the need to update the Model**, informing the Board of Directors in the event of the need to extend the category of Crimes that involve application of the Decree, evidence of serious violation of the same by the Recipients or significant changes to the structure of the Company and/or the procedures for carrying out business activities. In particular, the Supervisory Body must:
- monitor the evolution of the reference legislation and verify alignment of the Model with these regulatory requirements, reporting to the Board of Directors possible areas of intervention;
  - monitor the adequacy and updating of Protocols with regard to the need for crime prevention and ensure that every party contributing to the implementation of the Model is and remains aligned with and adequate for the objectives of the Model as identified by law, to this end being able to make recourse to the information and cooperation of the competent corporate Functions;
  - evaluate, in the case of actual commission of Crimes and significant violations of the Model, the opportunity to introduce changes thereto;

In carrying out its supervisory and control activities, the SB, without the need for any prior authorisation:

- will have unlimited access to all the structures and offices of the Company, will be able to interact with any subject operating in the aforementioned structures and offices and freely access all the information and acquire the documents and data that it deems relevant. In case of justified refusal by the recipients of requests, the SB prepares a report to be sent to the Board of Directors;
- may request access to data and information as well as the submission of documents to members of corporate bodies, the external auditors, Third Parties and in general all the Recipients of the Model. With specific reference to Third Parties, the obligation to comply with the requests of the SB must be expressly provided for in the individual contracts entered into by the Company;
- it may also carry out periodic inspections in various corporate Functions, including with regard to specific transactions (also in progress) put in place by the Company.

The Supervisory Body may have recourse to the support of the Functions institutionally equipped with the appropriate technical skills and human and operational resources to ensure performance of the audits, analyses and other necessary activities.

Finally, as regards the issues of protection of occupational health and safety and environmental protection, the SB can also have recourse to the functions responsible for the matters and all resources assigned to the management of such aspects (Employer, Health and Safety Manager and environmental aspects representative) as well as those additionally specified by industry regulations and, in particular, by Legislative Decree no. 81/2008 and by the Legislative Decree no. 152/2006.

Where the need arises, according to the specificity of the issues addressed, the SB may make recourse to external consultants for the specific skills that the Supervisory Body deems appropriate.

Moreover, with reference to subsidiaries, the SB of MAIRE promotes the dissemination and knowledge on the part of the same of the methodology and implementation tools of the Model and manages relations and information flows with the supervisory bodies of them. In particular, the SB of MAIRE can discuss with the Supervisory Bodies of the Sister Companies and other Group companies, also through periodic meetings, in order to have an overall view of the efficiency of the internal audit and risk management system and the monitoring of the Crime risks, without prejudice to the exclusive jurisdiction of the SB of MAIRE to monitor implementation and compliance of the Company's Model.

To ensure full and independent performance of its duties, the SB is assigned an adequate annual budget, established by resolution of the Board of Directors, in order to allow the SB to carry out its tasks in full autonomy, without limitations that may result from insufficient financial resources. The SB may, where duly necessary and urgent, use amounts that have not been included on the extra budget, except for its obligation to inform the Board of Directors.

For all other aspects, the SB, in order to preserve its independence and impartiality, ensures self-regulation through the formalisation, as part of a Regulation, of a set of rules that ensure its optimal operation (concerning, for example, the scheduling of activities, report formats and definition of the audit plan). The SB sends, for information, a copy of the Regulation to the Board of Directors and to the Board of Statutory Auditors of the Company.

#### 2.4 INFORMATION FLOWS TO THE SUPERVISORY BODY

In accordance with Article 6, paragraph 2, letter d), of the Legislative Decree no. 231/2001, among the requirements to be met by the Model is the "*obligation of information to the body responsible for supervising the functioning and observance of the models*".

The SB must be informed by the Recipients of the Model concerning events that could lead to liability under the Decree or that represent violations of the rules defined in the Model, in the Code of Ethics, in the Business Integrity Policy and in the Document management system in force. Similarly, the SB must be sent all documents that report such circumstances.

- In particular, for the purpose of a more efficient and effective implementation of the provisions of the Model, the Company makes recourse to **Operational Unit Managers** ("OUMs") who are those who have operational responsibility for each area of company activity at potential risk of committing Crimes. These subjects, identified by the Supervisory Body by virtue of their position in MAIRE organisational structure, are tasked with the following functions: without prejudice to the duties and responsibilities of the Recipients, personally and on the part of the Recipients subject to their management and supervision, foster compliance with and application of the standards and rules of conduct defined in this Model, in the Code of Ethics, in the Business Integrity Policy and in the Document management system in force;
- support the Supervisory Body in the exercise of the activities related to the responsibilities assigned to it, interfacing with the same and ensuring regular information flows through audit and control activities.

An obligation to report to the Supervisory Body has therefore been established, which takes the form of information flows **pre-defined by the Model**, in which information, data and news are reported on compliance with the control and conduct principles established by the Model, the Code of Ethics, the Business Integrity Policy and the Protocols, which are sent to the Supervisory Body by the company structures involved in the activities potentially at risk, within the times and in the ways defined by the Supervisory Body. These flows are divided into:

- a) **Periodic information flows**, addressed to the Supervisory Board, **every six months**, by the OUMs involved in activities at risk pursuant to Legislative Decree no. 231/2001, which, by means of an overall self-diagnosis process on the company's situation and the activities carried out, highlight the changes that have affected the Company and attest to the level of implementation of the Model, the Code of Ethics and the Business Integrity Policy, with particular attention to compliance with the Document system in force.

Through this formal self-assessment activity, they report any critical issues in the processes managed, any deviations from the indications dictated by the Model, the Code of Ethics, the Business Integrity Policy, the Protocols or more generally the document management system in force - with highlighting of the actions and initiatives adopted for the solution - or its adequacy.

OUM certificates are sent, within 15 days of the end of the semester (on 30 June and 31 December), to the Supervisory Body. The Technical Secretariat of the Supervisory Body will archive the documentation;

- b) **Event-based information flows**, addressed to the Supervisory Body by all the Recipients of the Model, to the occurrence of an event from which critical issues may emerge with respect to the application of the Model or the potential commission of Offences, as specifically provided for in the Protocols.

These flows must indicate any information, data, news, report, report or document that the Protocols envisage forwarding to the SB without delay, as well as any circumstance not expressly regulated, but which lends itself to dubious interpretations and/or applications or such as to impose derogations from the application of the Protocols themselves.

In addition to the pre-defined information flows, in accordance with Article 6, paragraph 2-bis, of Legislative Decree no. 231/2001, one of the requirements to which the Model must respond is also specified in the provision that it must provide one or more channels that allow the Recipients of the Model to present, for the protection of the integrity of the Company, detailed reports of unlawful conduct, relevant under Legislative Decree no. 231/2001 and based on elements of precise and consistent facts, or violations of the Model of which they have become aware by reason of the functions performed (reports), even in addition to those provided for in the Protocols, as described in the paragraph below.

#### **2.4.1. CHANNELS FOR TRANSMITTING REPORTS AND GUARANTEEING THE RIGHT OF CONFIDENTIALITY OF THE WHISTLEBLOWER**

As prescribed by Italian Legislative Decree no. 24/2023 and by the Group "Whistleblowing" Procedure, all channels of communication of reports relating to the provisions of this Model ensure the confidentiality of the identity of the whistleblower in the report management activities, as soon as the report is received and at each subsequent stage.

In a general and privileged way, reports must be sent to the Supervisory Board through the following

alternative communication channels:

- internal channel accessible only to the Supervisory Body and the Group Corporate Affairs Governance & Compliance Function of MAIRE, responsible for the management of the report and suitable for guaranteeing the confidentiality of the identity of the reporter, which the Company undertakes to communicate to all Recipients: [whistleblowing.mairetecnimont.com](mailto:whistleblowing.mairetecnimont.com)
- a physical address, to which the report is to be sent in a sealed envelope, marked 'confidential/personal' on the outside: Supervisory Body of MAIRE S.p.A., Via Gaetano De Castilla, 6/A, 20121 Milan.

Alternatively, the whistleblower may ask to be heard by the *Group Corporate Affairs, Governance & Compliance Vice President*, in order to present the whistleblower orally. This procedure provides for the written recording of the report.

The Supervisory Body, together with the MAIRE Group Corporate Affairs Governance & Compliance Function, evaluates the reports, the information received and any consequent initiatives to be implemented, in compliance with the provisions of the document system in force - including the internal disciplinary system -, possibly listening the author of the report and/or the person responsible for the alleged violation, justifying in writing any decision and giving rise to all the verifications and investigations that it deems necessary.

Without prejudice to the above, the Supervisory Body, together with the MAIRE Group Corporate Affairs Governance & Compliance Function, shall evaluate reports received anonymously, provided that they are also adequately detailed and based on precise and *consistent elements of fact*, while will not consider and immediately archive reports that are clearly not relevant, not sufficiently detailed or with defamatory content.

In the sole case in which the subject of the report is a conduct by a member of the Company's Supervisory Body, or by the entire Body, the reporter must address directly to the Board of Directors of the Company, which, in turn, may appoint an operational manager to manage the report, in accordance with the provisions of the document system.

#### **2.4.2. PROTECTION OF WHISTLEBLOWERS**

is The Law expressly prohibited acts of retaliation or discrimination, direct or indirect, against the reporter for reasons related, directly or indirectly, to the report. Measures that are null and void include, but are not limited to, the whistleblower's dismissal as an act of retaliation or discrimination, a change of duties pursuant to Article 2103 of the Italian Civil Code and any other acts of retaliation or discrimination against the whistleblower.

In accordance with the provisions of Italian Legislative Decree no. 179/2017 and the "Whistleblowing" Procedure, the Company protects whistleblowers from such acts and takes disciplinary measures against anyone who violates the whistleblower protections.

Specifically, the Supervisory Body and the MAIRE *Group Corporate Affairs Governance & Compliance Function* act by protecting whistleblowers against any form of retaliation, discrimination or penalization and ensuring the utmost confidentiality of the identity of the whistleblower, of anyone mentioned in the report, the content of the report and the related documentation, without prejudice to the requirements inherent to the carrying out of investigations, and in any case preventing the disclosure of the



information collected to parties outside the whistleblowing management process.

Whistleblowers may report discriminatory measures taken against them to the National Labour Inspectorate (“A.NA.C”).

The protections laid out herein are not guaranteed when it has been assessed, even in a first-level court ruling, that the whistleblower is guilty of defamation, slander or any similar offense committed in a report to legal or accounting authorities, or if the whistleblower has been found civilly liable for the same, in the event of fraud or gross negligence. In these cases, the Company will impose a disciplinary sanction.

## **2.5 SUPERVISORY BODY REPORTING ACTIVITY**

In order to guarantee its full autonomy and independence in the performance of its duties, the Supervisory Body reports directly to the Board of Directors of the Company.

In particular, at the time of approval of the Annual Financial Report and the Interim Financial Report, the Supervisory Body sends to the Risk and Sustainability Control Committee, the Board of Directors and the Board of Statutory Auditors a detailed report on the following aspects:

- a description of significant events that have affected the Company;
- evolution of legislation concerning Legislative Decree no. 231/2001;
- the state of updating of the Model;
- the reports received by the SB in respect of the standards of confidentiality and protection of the reporting party, as described above;
- evidence contained in the information received by the Supervisory Body on the areas of risk;
- activities carried out;
- the activity plan, including the periodic audit plan;
- relations with the relevant judicial bodies pursuant to Legislative Decree no. 231/2001;
- conclusions concerning the functioning, compliance with and updating of the Model;
- all other information considered relevant to the Model and Italian Legislative Decree no. 231/2001.

In the event of serious anomalies in the functioning and observance of the Model or of violations of its prescriptions, the SB promptly reports to the Risk and Sustainability Control Committee and to the Board of Directors.

The SB may be called at any time by the Board of Directors or may, in turn, request - if it considers it appropriate or otherwise deemed necessary - to be heard by such body to report on particular events or situations related to the functioning of and compliance with the Model urging, if necessary, intervention by the same. Furthermore, the SB, if deemed necessary or appropriate, may request to meet the Risk and Sustainability Control Committee and the Board of Statutory Auditors.

To ensure a smooth and efficient flow of information, the SB also has the possibility, for the purpose of full and proper exercise of its powers, to seek clarification or information directly from the Director in charge of the Internal Control and Risk Management System and from the parties with the main

operational responsibilities.

Meetings with bodies to which the SB reports must be recorded and copies of the minutes be kept by the SB.

Lastly, the SB operates according to a continuous reporting line with the Managing Director, for example on the results of its regular controls and audits.

## **2.6. REGULAR AUDITS BY THE SUPERVISORY BODY**

The supervisory activity carried out continuously by the SB to (a) verify the effectiveness of the Model (i.e., the consistency between the concrete conduct of the Addressees and the Model itself), (b) carry out the periodic assessment of the adequacy, with respect to the needs of prevention of the crimes as per Legislative Decree no. 231/2001, of the document system in force that regulates the activities at risk and (c) proceed with the appropriate updates of the Model, takes the form, first of all, in the work plan of the control activity of the SB. The SB control system aims to:

- ensure that the operating management method complies with the Model provisions and current provisions of law;
- identify the areas requiring corrective action and/or improvements and verify the effectiveness of the corrective action taken.

Internal audits are managed by the Supervisory Body.

In order to carry out the audits planned, the Supervisory Body may collaborate with the Internal Audit Function or staff of other Functions, not involved in the activities being audited and with specific competences in the matter.

Extraordinary controls not included in the plan of work may be planned in the event of substantial changes to the organisation of business processes or in the case of suspects or communications of non-compliance or in any case whenever the SB decides to carry out ad hoc occasional controls.

The results of the controls are always described in a report and sent in the ways and with the frequency set out in the Model.

The Company considers the results of these audits as essential to improving its Model. Therefore, also with a view to guaranteeing the effective implementation of the Model, the results of the audits relating to the suitability and effective implementation of the Model are discussed by the Supervisory Body and may entail the application of the disciplinary system, where appropriate.

## **2.7 RELATIONS BETWEEN THE SUPERVISORY BODY OF MAIRE AND THE COMPANIES UNDER ITALIAN LAW THAT ARE DIRECT AND INDIRECT SUBSIDIARIES OF MAIRE**

The Supervisory Body of MAIRE promotes the dissemination and knowledge, by the subsidiaries of MAIRE, of the methodology and instruments for implementation of the Model in complete compliance with the principle of the autonomy of the Supervisory Body of the subsidiaries and equal level of ethics of all Supervisory Bodies. In this regard, the MAIRE Supervisory Body promotes the organisation of periodic meetings with the supervisory bodies of subsidiaries dedicated to examining and sharing any significant experience are organised. On this occasion, the Supervisory Bodies of

the MAIRE subsidiaries, can report events they believe to be relevant with respect to the correct monitoring of risk for the purpose of the Decree (by way of example, aggregated indications on the state of implementation of the system adopted in accordance with the Decree, updates made to the Model). The Supervisory Bodies of the companies involved must also share any risk profiles in connection with the Crimes which may arise in the execution of intra-group service contracts.. Information flows are managed ensuring the autonomy of the Supervisory Bodies and the Organisation, Management and Control Models of each company and avoiding any decision-making by MAIRE in the activities involved in the implementation of the Decree by the subsidiaries.

The Supervisory Bodies of the MAIRE subsidiaries, where necessary and in complete autonomy, may request the support of the Functions in charge of *internal auditing* and compliance of the parent company, MAIRE, or avail themselves of external consultants to perform controls regulating, amongst other aspects, the activities to be carried out, information flows and the protection of privacy. Any corrective measures on the Models of subsidiaries resulting from audits carried out are the sole responsibility of the subsidiaries themselves.

In order to ensure a spirit of cooperation between the Group SBs and the common sharing of crime prevention procedures, the MAIRE Supervisory Body, or the Supervisory Body of a subsidiary of MAIRE, may make requests to the Supervisory Bodies of other Group companies, relevant to the performance of activities pertaining to the same or to ask to be informed of the onset of any events or circumstances of the nature just mentioned. The Supervisory Body of the company to which the request is addressed shall assess it in a manner that respects its autonomy and independence.

### **3. DISCIPLINARY SYSTEM**

The provision of a suitable disciplinary system to sanction the failure to comply with the rules indicated in the Model is a condition required by Legislative Decree no. 231/2001 for the exemption from administrative liability of Entities and to ensure the effectiveness of the Model.

In particular, Article 6, paragraph 2, Legislative Decree no. 231/2001, in listing the items that must be found in Models put in place by Entities, under letter e) expressly provides that the Entity must *“introduce a disciplinary system to sanction non-compliance with the measures indicated in the Model”*.

In addition, in application of the provisions of Article 6, paragraph 2-bis, letter d), of Legislative Decree no. 231/2001, this disciplinary system must also provide for sanctions against *“those who violate the measures for the protection of the whistleblower, as well as those who make reports with intent or gross negligence that prove to be unfounded”*.

It is nevertheless the case that also if certain type of conduct is not included among those listed below, where it is in violation of the Model it may still be subject to sanctions.

#### **3.1 THE FUNCTIONS OF THE DISCIPLINARY SYSTEM**

MAIRE, in order to induce those acting in the name or on behalf of the company to operate in compliance with the Model, has accordingly put in place a disciplinary system specifically designed

to punish all those activities that constitute violations of the Model, of the Code of Ethics and of the *Business Integrity Policy*, through application of specific sanctions resulting from a combination of the type of contract and the principles and requirements of the Model.

Such disciplinary system is therefore addressed to all those who work with the company in the capacity of directors, employees (managers and non-managers), statutory auditors, the self-employed, third party collaborators and consultants acting on behalf of or within the Company and all those having a contractual relationship with the Company for the performance of any professional service or work.

The SB, should it discover in the course of its monitoring and control a possible violation of the Model or the Code of Ethics or the Business Integrity Policy, gives rise to disciplinary proceedings against the author of the potential infringement, independently of any criminal action by the legal authorities against the author, as well as of any other action deemed appropriate or necessary (e.g. action for damages).

Ascertainment of actual liability arising from violation of the Model and application of the corresponding sanction takes place in accordance with current legislation, the rules of the applicable collective bargaining agreement, internal procedures, the provisions relating to privacy and in full compliance with the fundamental rights of dignity and reputation of the parties involved.

Any imposition of disciplinary sanctions must be guided by the principles of timeliness, immediacy and, as far as possible, fairness.

### **3.2 THE RECIPIENTS OF THE DISCIPLINARY SYSTEM**

The disciplinary system, like the Model, is addressed, in fact, to all the Recipients, namely the members of the corporate offices (Directors and Statutory Auditors), employees, managers, third parties and other parties.

### **3.3 SANCTIONS**

#### **3.3.1 MEASURES APPLICABLE TO NON-MANAGERIAL STAFF**

Violations of the rules of conduct provided for by the Model, the Code of Ethics and the Business Integrity Policy, as well as by the auditing principles provided for in the document management system in force, committed by employees constitute a breach of contract and may result in disciplinary sanctions within the limits established by the collective agreement applicable to the employment relationship.

In particular, the National Collective Labour Agreement for the Chemical and Pharmaceutical Chemistry Industry governing the employment relationship between the Company and its non-managerial employees, establishes application of the following disciplinary measures for breaches of contract:

- a) verbal warning;
- b) written warning;
- c) fine;
- d) suspension;
- e) dismissal.

All the provisions of Article 7 of the Law of 20 May 1970, no. 300 (so-called “Workers’ Statute”) shall remain in force, and are herein stated, in relation to both the disclosure of the disciplinary code and the obligation of prior notification of the charge to the employee, also in order to allow the same to prepare a suitable defence and to provide any justifications.

In accordance with the provisions of the Workers’ Statute, the type and entity of the sanction is identified bearing in mind the gravity of the infringement, the recidivism of non-compliance and/or the degree of guilt, assessing in particular:

- the intentionality and circumstances, mitigating or aggravating, of the overall conduct;
- the hierarchical role and level of responsibility and autonomy of the employee;
- any sharing of responsibilities with other workers in agreement with each other in putting in place the violation;
- any similar disciplinary precedents;
- the significance of the requirements violated;
- the consequences for the Company, the extent of damage or danger as a result of the infringement for the Company and for the stakeholders of the Company.

The disciplinary sanctions provided for in **points (a) and (b)** generally are imposed on employees who, through negligence, violation of the provisions of the Model, the Code of Ethics, the Business Integrity Policy and the Document management system in force, adopt conduct non-compliant with the same or not adequate, but such as not to undermine the effectiveness of the above mentioned documents.

More precisely:

- the **verbal warning sanction** may be applied in cases of minor non-compliance with the principles of the Model, the Code of Ethics, the Business Integrity Policy and the provisions of the Document management system in force developed in application of the provisions of the Model, due to negligence on the part of the employee. By way of example but not limited to, the employee who, through negligence, fails to accurately maintain the necessary supporting documentation to reconstruct the operations of the Company in areas at risk is punishable with a verbal warning;

a **written warning** is adopted in cases of repeated shortcomings punished with verbal warnings, or in the event of culpable violation of the principles of the Model, the Code of Ethics, the Business Integrity Policy and the provisions of the Document management system in force developed in application of the provisions of the Model, through non-compliant or inappropriate conduct: by way of non-exhaustive example in the event of delayed reporting to the SB of the information due pursuant to the Model; The disciplinary sanctions pursuant to **points (c) and (d)** are imposed on employees in the event of repeated infringements pursuant to the previous points or in the case of culpable and/or negligent conduct put in place by employees working in areas at risk, which can even only potentially undermine the effectiveness of the Model, the Code of Ethics, the Business Integrity Policy and the Document management system in force.

More precisely:

- a **fine** may be imposed in an amount not exceeding that of four times the normal remuneration pursuant to the National Collective Labour Agreement for the Chemical and Pharmaceutical Chemistry Industry, in the case of non-compliance with the principles and rules of conduct established by this Model, of the Code of Ethics, the *Business Integrity Policy* and of the provisions of the Document management system in force, for conduct not compliant or not adequate with respect to the provisions of the Model to such an extent as to be considered of a certain gravity. By way of example but not limited to, such conduct includes violation of the obligations to provide information to the SB concerning irregularities in the conduct of one's activities, or repeated failure to take part, without justification, in training sessions provided by the Company concerning Legislative Decree no. 231/2001, the Model, the Code of Ethics and the Business Integrity Policy or in relation to related matters;
- the **suspension from duty without pay** may not be imposed for more than three days and must be applied in the case of serious procedural violations such as to expose the Company to third party liability. By way of example and not limited to: failure to comply with the provisions of the Code of Ethics and the Business Integrity Policy; omission or issue of false declarations relating to compliance with the Model; failure to comply with the provisions of the powers of signature and the system of proxies; failure to supervise the conduct of personnel operating within their sphere of responsibility in order to verify their actions in areas of risk; violation of the obligations to inform the Supervisory Body of any situation at risk of verification of the predicate crimes perceived in the performance of their activities the execution with gross negligence and/or wilful misconduct of a report pursuant to Article 6 paragraph 2-bis of Legislative Decree no. 231/2001 which proves to be unfounded; the violation, through serious negligence, of the measures for the protection of the whistleblower any and all other breach of contract or specific provisions communicated to the employee;
- the disciplinary sanction pursuant to point e) is imposed on the employee who puts in place, in carrying out his activities, conduct which does not comply with the requirements of the Model, Code of Ethics, Business Integrity Policy and the provisions of the Document management system in force and unequivocally aimed at committing a crime and which could result in the application of administrative sanctions resulting from crimes provided for in the Decree.

More precisely:

- **dismissal with notice** for just cause is a sanction imposed as a result of a breach of contract by the employee. The following intentional behaviours fall within the scope of the aforementioned sanction: repeated non-compliance with the provisions of the Model, the Code of Ethics, the Business Integrity Policy and the provisions of the Document management system in force; wilful omission in fulfilling the requirements of the Model, the Code of Ethics, the Business Integrity Policy and the provisions of the Document management system in force; adoption, in the corporate areas at risk, of conduct that does not conform to the provisions of the Model solely directed to the fulfilment of one of the crimes provided for by the Decree; failure to notify the SB of relevant information regarding the commission, even attempted, of one of the alleged crimes; malicious reporting pursuant to Article 6 paragraph 2-bis of Legislative Decree no. 231/2001 which is unfounded; violation of the protection measures of the whistleblower;
- **dismissal without notice** for just cause is a sanction imposed as a result of intentional or

grossly negligent conduct, such as not to allow the continuation, even temporary, of the employment relationship. Among the violations liable to the aforementioned sanction: fraudulent behaviour unequivocally directed to the commission of one of the crimes provided for by the Decree, such as to eliminate the fiduciary relationship with the Employer; drafting of documents of significant importance for the Group, incomplete or untruthful, wilfully or maliciously aimed at preventing the transparency and verifiability of the activity carried out; wilful or grossly negligent violation of external procedures; failure to prepare the documentation required by the Model; intentional or grossly negligent violation or avoidance of the control system envisaged by the Model in any way carried out, including the removal, destruction or alteration of components of the Document management system in force; behaving in a manner that hinders or evades the controls of the SB, impediment of access to information and documentation by the subjects in charge of controls or decisions; malicious or grossly negligent report pursuant to Article 6 paragraph 2-bis of Legislative Decree no. 231/2001 which is unfounded and particularly burdensome to the reported person; violation of the protection measures of the whistleblower.

On becoming aware of a suspected violation of the rules of conduct of the Model, the Code of Ethics, the *Business Integrity Policy* and the provisions of the Document management system in force by a non-managerial employee, the Supervisory Body informs the Human Resources Function of the Company for adoption of the appropriate measures. Proceedings are assigned to the specified Company Function, which will impose the sanction pursuant to the law and the contract.

The employee is **suspended from work as a precautionary measure** - without prejudice to remuneration for managers, for a period limited to the time required to carry out the procedure to which the suspension gives rise, and it shall cease to have effect as soon as this procedure is completed; furthermore, again on a provisional basis and if necessary, for a period not exceeding six months, the assignment of different tasks in compliance with Article 2103 of the Italian Civil Code - in the event of a serious violation of one or more behavioural or procedural rules of the Model, the Code of Ethics, the Business Integrity Policy and the provisions of the Document management system in force, developed in application of the provisions of the Model; or in the case of a report made with serious negligence pursuant to Article 6, paragraph 2-bis of Legislative Decree no. 231/2001 that proves to be unfounded or of a violation, due to serious negligence, of the measures for the protection of the person making the report;

The employee may also have any powers of attorney or delegation of powers conferred revoked.

### 3.3.2 MEASURES APPLICABLE TO MANAGERIAL STAFF

Compliance by company managers with the provisions and procedures provided for in the Model, Code of Ethics, the *Business Integrity Policy* and Document management system in force, as well as fulfilment of the obligation to enforce the provisions of said documents, are fundamental elements of the relationship between the same and the company.

Every manager receives a copy of the Model, the Code of Ethics, the *Business Integrity Policy* and, in the case of ascertained violation by a manager of conduct compliant with the provisions of the Model, or if it is proved that the manager has allowed hierarchically subordinate employees to engage in conduct constituting violation of the principles of the Model, Code of Ethics, the *Business Integrity Policy* and provisions of the Document management system in force, developed in application of the provisions of the Model, the Company applies the sanction deemed most appropriate against the

manager according to the severity and/or recidivism of the conduct of the manager and in any case on the basis of that provided for by the National Collective bargaining Agreement for Managers, mainly Article 7 of Workers' Statute.

Specifically, in addition to the sanctions provided for non-managerial staff, the following sanctions may be applied against managers:

- the manager incurs a **written warning** to comply with the provisions of the Model, in the case of a non-serious violation of one or more conduct or procedural rules provided for in the Model, Code of Ethics, the Business Integrity Policy and provisions of the Document management system in force, developed in application of the provisions of the Model;
- the manager incurs measure of the **dismissal with notice** in the event of (i) repeated and serious violations of one or more of the provisions of the Model, the Code of Ethics, the Business Integrity Policy and the provisions of the Document management system in force, developed in application of the provisions of the Model such as to constitute a significant breach; (ii) in the case of intentionally making a report pursuant to Article 6, paragraph 2-bis of Legislative Decree no. 231/2001 that proves to be unfounded or in the case of violation of the measures for the protection of the reporter;
- the manager is **dismissed without notice** if the violation of one or more of the provisions of the Model, the Code of Ethics, the *Business Integrity Policy* and the provisions of the Document system in force, developed in application of the provisions of the Model, is so serious as to irreparably damage the relationship of trust, not allowing the continuation, even temporarily, of the employment relationship or in the case of maliciously making a report pursuant to Article 6, paragraph 2-bis of Legislative Decree no. 231/2001 that proves to be unfounded and particularly burdensome towards the person reported or violation of the measures to protect the person reporting the violation.

This without prejudice to the Company's right to claim compensation for further damages as a result of the conduct of the manager.

The manager may also have any powers of attorney or delegation of powers conferred revoked.

The type and entity of the sanction is identified bearing in mind the gravity of the infringement, the recidivism of non-compliance and/or the degree of guilt, assessing in particular:

- the intentionality and circumstances, mitigating or aggravating, of the overall conduct;
- the hierarchical role and level of responsibility and autonomy of the employee/manager submitted to the manager;
- any sharing of responsibilities with other workers in agreement with each other in putting in place the violation;
- any similar disciplinary precedents, within the two-year period provided by law;
- the significance of the requirements violated;
- the consequences for the Company, the extent of damage or danger as a result of the infringement for the Company and for the stakeholders of the Company.

By way of example and not limited to, the violation of obligations to provide information to the SB in relation to the commission of the significant crimes, even if only attempted, constitutes a serious



breach.

On becoming aware of a violation of the rules of conduct of the Model, the Code of Ethics and the *Business Integrity Policy* by a manager, the Supervisory Body informs the Board of Directors for adoption of the appropriate measures. Proceedings are assigned to the Company's Human Resources Function, which will impose the sanction pursuant to the law and the contract.

### **3.3.3 MEASURES APPLICABLE TO WORKERS SECONDED TO MAIRE**

If any workers operating under secondment (total or partial) from other Group Companies to MAIRE, violate the Code of Ethics, the Business Integrity Policy and the Model of the Company, of measures to protect the reporting person, as well as in case of execution with intent or gross negligence of reports that prove to be groundless and the provisions of the Document management system in force, the Managing Director, after consulting the Supervisory Body, will promptly inform the management bodies of the posting company and the competent function responsible for human resources same so that every provision deemed appropriate and compatible with the current legislation and according to the internal sanctioning rules by the same posting company is adopted.

The employees/managers seconded by other Group companies are subject to the penalty system for the staff of MAIRE corresponding to the relative qualification they hold. In any case, MAIRE makes a specific disclosure to the seconding company for any further disciplinary assessments under its responsibility.

### **3.3.4 MEASURES APPLICABLE TO DIRECTORS**

In the event of proven violation of the Model, the Code of Ethics and/or the *Business Integrity Policy* and of the measures to protect the whistleblower, as well as in case of fraudulent or gross negligence of reports that prove unfounded by one or more directors, the Board of Directors and in conformity with applicable provisions of the law, or in the case of inertia of the Board, in accordance with Article 2406 of the Italian Civil Code, the Chairman of the Board of Statutory Auditors on receiving the report of the infringement from the SB, immediately or otherwise in a timely manner convenes the Shareholders' Meeting to decide on possible revocation of the mandate or taking legal action for liability against the directors pursuant to Article 2393 of the Civil Code.

The Shareholders' Meeting, after examining the report, formulates in writing any claim against the director, delegating actual notification to the interested party and to the Supervisory Body to the Chairman of the Board of Auditors. The Shareholders' Meeting, in a subsequent meeting, in accordance with the most appropriate terms of defence, decides on the application and possible type of sanction, according to the principle of proportionality, delegating actual notification to the interested party and to the Supervisory Body to the Board of Statutory Auditors.

Directors who violate the provisions of the Model and measures to protect the whistleblower, as well as to carry out malicious or gross negligence reports that prove to be unfounded, may nevertheless still be subject to legal action for liability and any consequent claim for compensation for damages in accordance with the Civil Code under the applicable regulation.

### **3.3.5 MEASURES APPLICABLE TO STATUTORY AUDITORS**

In the event of proven violation of the Model, Code of Ethics and the *Business Integrity Policy* and measures to protect the whistleblower, as well as to carry out malicious or gross negligence reports

that prove to be unfounded, by one or more statutory auditors, the Board of Directors, pursuant to Article 2407 of the Civil Code and in conformity with applicable provisions of the law, on timely reporting of the infringement ascertained by the SB, immediately or otherwise in a timely manner convenes the Shareholders' Meeting to decide on possible revocation of the mandate or taking legal action for liability against the statutory auditors pursuant to Article 2393 of the Civil Code.

The measures of the Shareholders' Meeting in relation to the alleged non-compliance with the Model are made in writing, delegating actual notification to the interested party and to the SB to the Chairman of the Board of Directors. The Shareholders' Meeting, in a subsequent meeting, in accordance with the most appropriate terms of defence, decides on the application and possible type of sanction, according to the principle of proportionality, delegating actual notification to the interested party, to the Supervisory Body and to the Board of Directors.

Statutory Auditors may nevertheless still be subject to legal action for liability and any consequent claim for damages in accordance with the Civil Code.

### **3.3.6 MEASURES APPLICABLE TO THIRD PARTIES AND TO OTHER PARTIES**

Any conduct engaged in by Third Parties which, contrary to the law, with this Model, the Code of Ethics, the *Business Integrity Policy* and the Document management system in force, is likely to lead to the risk of committing one of the crimes for which the Decree is applicable, entails, as required by the specific contractual clauses, unilateral advance termination of the same, without prejudice to the further right to compensation before the competent legal authorities if from such conduct material damage is caused to the Company.

Any behaviour carried out by Other Parties that, in contrast with the prescriptions of the Legislative Decree, 231/2001 and with the ethical standards and those of conduct adopted by MAIRE through the Code of Ethics and the Business Integrity Policy, is likely to lead to the risk of committing one of the crimes for which the Decree is applicable, determines, as required by the specific contractual clauses, unilateral advance termination of the same, without prejudice to the further right to compensation before the competent legal authorities if from such conduct material damage is caused to the Company.

The same early termination of the contractual relationship is provided for in the event of violation of the measures to protect the reporter and/or the execution, with intent or gross negligence, of reports that prove unfounded.

Such conduct is evaluated by the Supervisory Body, which, having heard the opinion of the Manager of Function that requested the intervention of the Third Party and/or Other Party, promptly reports to the Managing Director.

### **3.3.7 MEASURES AGAINST MEMBERS OF THE SUPERVISORY BODY**

Without prejudice to the provisions of paragraph 2.3, in the event of ascertained adoption, by a member of the Supervisory Body, of a conduct not in compliance with the provisions of the Model, as well as of a violation of the measures for the protection of the whistleblower and/or the execution, with intent or gross negligence, of reports that prove to be unfounded, the Company shall apply the sanction it deems most appropriate to the person responsible, on account of the seriousness and/or recidivism of the conduct of the member of the SB. In particular, the Board of Directors will assess any appropriate measure to be taken against the member of the Supervisory Body until the revocation

of the appointment.

#### 4. DISSEMINATION OF THE MODEL

The system of administrative liability provided for in the applicable law and adoption of the Model by MAIRE form a system that must be find a coherent and effective response in the operational conduct of the Recipients.

In this regard, communication and training in order to facilitate the dissemination of the provisions of the Decree and of the Model is vital, in order for awareness of the subject and compliance with the rules deriving from the same to become an integral part of the professional culture of each employee and collaborator.

With this in mind, MAIRE has structured an internal communication, information and training plan addressed to all employees but diversified depending on the Recipients to whom it is addressed, which has the objective of creating widespread awareness and a corporate culture appropriate to the issues in question, thus mitigating the risk of commission of crimes.

The plan is managed by the competent Company Functions or Group companies, in coordination with the Supervisory Body.

In particular, with regard to **communication**, the following is provided for:

- initial communication at the initiative of the Board of Directors to members of corporate offices, the external auditors, employees and all personnel responsible for the Functions of Group companies that *outsource* Company activities;
- dissemination of the Model, the Code of Ethics and the *Business Integrity Policy* on the Group portal, in a specific dedicated area;
- for all those who do not have access to the Group portal the Model, the Code of Ethics and the Business Integrity Policy are available to them via alternative means, such as enclosure in the payslip or other computer systems;
- appropriate communication tools will be adopted to inform the Recipients of any changes to the Model and/or the Code of Ethics and/or the *Business Integrity Policy* and the Document management system in force.

With regard to **information** mechanisms, it is provided that:

- members of corporate offices and persons with powers of representation of the Company receive a copy of the Model, the Code of Ethics and the *Business Integrity Policy* at the time of acceptance of their appointment and sign a declaration of compliance with the principles contained therein;
- Third Parties and Other Parties are provided, by attorneys with institutional contacts with the same, with a methodology approved by the Supervisory Body, specific information on the principles and policies adopted by MAIRE - on the basis of the Model, the Code Ethics and the Business Integrity Policy - as well as on the consequences that conduct contrary to current legislation or ethical principles adopted may have with regard to contractual relations, in order to raise awareness that their conduct complies with the law, with particular reference to the

Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

provisions of Legislative Decree no. 231/2001;

- newly hired employees receive, at the time of hiring, a letter in which it is communicated that all the information documents including, in particular, the Model, the Code of Ethics and the *Business Integrity Policy* are available on the Group portal and that compliance with the same is an integral part of the contractual obligations. Signing of the above letter attesting to having received the documents and the commitment to comply with the corresponding provisions.

Finally, as regards training, a **training** plan is envisaged which aims to make all managers and employees of the Company aware of the contents of the Decree, the Model, the Code of Ethics and the Business Integrity Policy.

The training plan, constructed and managed by the Function responsible for Group employee training, in coordination with the Supervisory Body and the Function responsible for Corporate Affairs, Governance and Compliance, takes into account multiple variables, in particular:

- the targets (the Recipients of interventions, their level and organisational role);
- the contents (topics related to the role of the person);
- the delivery tools (classroom, e-learning).

The plan envisages:

- basic e-learning training for all staff: the e-learning training support allows the timely and widespread dissemination of the contents common to all staff - reference standards (Legislative Decree no. 231/2001 and Crimes), the Model and its functioning, the contents of the Code of Ethics and of the Business Integrity Policy – and is supplemented by self-assessment and learning tests;
- specific classroom interventions for those who work in structures where there is a greater the risk of illegal conduct, in which also the specific Protocols are explained;
- in-depth modules in the case of legislative or internal procedure updates.

## 5. UPDATING OF THE MODEL

Updating, meaning both replacement and modification, is aimed at ensuring the adequacy and suitability of the Model, in terms of the effect of preventing the committing of the Crimes specified in Legislative Decree no. 231/2001.

The adoption and effective implementation of the Model constitute, by express legislative provision, a responsibility of the Board of Directors.

Therefore, the power to update the Model – expression of effective implementation of the same – lies with the Board of Directors, which exercises the same directly by resolution or by delegation of powers to one of its members and according to the procedures provided for adoption of the Model.

In detail, the Board of Directors has the power to adopt, also on the basis of suggestions and proposals from the SB, modifications and/or integrations to the Model and its annexes that might become necessary as a result of:

- significant violations of the provisions of the Model adopted;
- regulatory changes that involve the extension of administrative liability of entities to other types of crimes for which it is deemed there is a risk of commission in the interest or to the benefit of

Organisational, Management and Control Model pursuant to Italian Leg. Decree no. 231/2001

the Company;

- significant changes to the organisational structure, the system of powers and the operating procedures of activities at risk and controls to monitor the same.

In order to apply to the Model all those formal and not substantial changes as may be required over time, the Board of Directors of the Company, in its decision-making autonomy, has the right to confer upon one of its members the power to make the above changes with obligation to formally communicate to the Board any changes.

## 6. GROUP GUIDELINES ON ADMINISTRATIVE LIABILITY OF ENTITIES

Without prejudice to the autonomous liability of each Company belonging to the MAIRE Group regarding the adoption and effective implementation of its Model, MAIRE, in the exercise of its specific role as Parent, has the power to provide general indications on the processes for the adjustment to comply with the Decree, including in the form of offering consultancy services through the Group Compliance Function. The persons appointed by MAIRE as representatives of the same in the corporate offices of subsidiaries, consortia and joint ventures promote the principles of the Decree, the Code of Ethics, the *Business Integrity Policy* and the contents of the Model in their respective areas of responsibility.

The MAIRE Supervisory Body can organise opportunities to meet and share and facilitate the exchange of information with the Supervisory Bodies of subsidiaries in respect of the foregoing.

In order to standardise at Group level the methods by which the contents of Legislative Decree no. 231/2001, the Model of MAIRE defines the guiding principles to which all subsidiaries under Italian law must adhere, in compliance with their legal autonomy and the principles of correct corporate management.

In particular, each company in question must:

- adopt the Group's Code of Ethics and the *Business Integrity Policy*;
- evaluate adopting its own Model, after identifying the business activities that present a risk of commission of the crimes provided for in the Decree and the most appropriate measures to prevent their occurrence. In preparing the Model, the company must adhere to the principles and contents of the Parent Company Model, yet taking due consideration of the specific nature, dimension or type of business carried out and the corporate structure, organisation and/or organisation of internal delegations. The adoption of the Model is communicated by the subsidiary to the Group Compliance Function by sending a copy of it, along with the approval resolution by the Board of Directors. It is nevertheless understood that until the Model has been approved, the company must adopt all appropriate measures for the prevention of illegal conduct among other things, evaluating the opportunity to apply the principles prescribed by the Model adopted by the controlling company or, in the absence, by the Parent Company;
- if the company has adopted its own Model, it must appoint the Supervisory Body. The disclosure of successful appointment of the SB is notified by the adopting company by the submission of a copy of the resolution of the Board of Directors to the Group Corporate Affairs Function, which informs and updates the Supervisory Body of the Parent Company;

- if the company has adopted its own Model, the latter must ensure publication i) of it on the Group intranet portal in a specific area dedicated to it, as well as, ii) of only the general part on the company's website, where such exists;
- ensure systematic updating of the Model, where adopted, depending on regulatory and organizational changes, as well as in the event that significant and/or repeated violation of the provisions of the Model make it necessary. The regulatory changes can be reported to the company by the Group Compliance Function with specific communication. Updating of the Model is communicated to the aforesaid Function which also informs the SB of MAIRE;
- prepare, in coordination with the Function responsible for corporate training, personnel training and communication plans in order to create widespread awareness and an adequate corporate culture on the matter; appoint, wherever possible and necessary, Operational Unit Managers ("**OUM**") and put in place, every six months, the mechanism of information flows to the Supervisory Body of the company concerned on activities at risk in order to certify the level of implementation of the Model, with particular attention to compliance with the principles of control and conduct. This mechanism is activated in coordination with the Group Compliance Function.

With reference to the activities described above, the competent MAIRE Functions provide subsidiaries support and collaboration, within their respective responsibilities, in performing the tasks pertaining to the same.

## **7. LIST OF ANNEXES**

1. List of relevant crimes pursuant to Legislative Decree no. 231/2001 and definition of Public Administration.
2. Mapping of sensitive activities and instrumental processes.
3. Risk assessment method and drivers.