



**ORGANIZATION, MANAGEMENT  
AND CONTROL MODEL AS PER  
LEGISLATIVE DECREE  
231/2001**

***GENERAL PART***

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First issue



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# INTRODUCTION

This Organization, Management and Control Model (hereinafter also just “**Model**”) contains a complete system of principles, values, controls, operation instructions and

ethics rules that Technoprobe S.p.A. (“**Technoprobe**” or the “**Company**”) considers fundamental and non-waivable for conducting every company activity, and of which requires the most attentive observation to the components of company bodies and management, Company employees, as well as all those who work, even de facto, for the Company, including third party subjects such as, by means of example but not limited to: agents, distributors, freelancers, consultants, etc. (the “**Recipients**”).

The Company considers it of utmost importance to observe (and have observed by anyone who interacts with it) the highest ethical and transparency standards compared to any commercial needs.

Therefore, Technoprobe expects all of those who have and intend to have legal relationships with the Company adopt a conduct in compliance with the provisions as per the Model and in line with this Model and in line with the ethical principles contained therein.

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This Organization, Management and Control Model as per Legislative Decree 231/01 is composed of a summary document that contains the general part and the special part of the Model, and various documents that form an integral and essential part.

The General part includes a brief overview of the normative provisions as per Legislative Decree 231/01 and the main concrete implications that such provisions have and/or may have for Technoprobe and for all others who work with and/or for it, the indication of predicate offences of liability as per the aforesaid decree (“**Predicate offences**”), the governance of Technoprobe’s Supervisory Board, the description of the governance system adopted by the Company and the communication and training system on the contents of the Model. Annexed to the General Part as Annex A is a complete and detailed list of all relevant Predicate offences.

The special part of the Model contained the identification of the activities and processes where Predicate offences could be committed, identification of the company functions involved in each activity at risk; identification of the control objectives the Entity has set to prevent the commission of crimes, list of the main conduct principles that the Recipients must follow in order to reach the control objective, identification of specific control instruments adopted by the Company in order to prevent the commission of offences within the relevant processes.

The Company Code of Conduct (the “Code of Conduct”) and the internal procedural documents (procedures, regulations, memorandums, service orders, manuals, etc) are integral and essential parts of the Model, even if not physically attached to the same and mentioned or not in the Model, that all Recipients are required to know and consult.

## 1. NORMATIVE REFERENCE CONTEXT

The Legislative Decree no. 231 of 8 June 2001 introduced in Italy the “Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality.”(hereinafter shortened to “**D. Lgs. no. 231/01**” or the “**Decree**”).

This provision is part of a vast legislative process to fight against corruption and has aligned  
General Part

Italian legislation concerning the liability of legal entities to some International Conventions previously signed by Italy<sup>1</sup>.

D.Lgs. no. 231/01 established therefore, a system of administrative liability (basically comparable to criminal liability), borne by legal entities (hereinafter shortened to **Entity/Entities**”), which is added to the liability of natural persons (better identified below) who has materially committed the single offence and it tries to involve, in the punishment of the same, the Entities in whose interest or to whose benefit that offence was committed.

Article 4 of D. Lgs. no. 231/01 also establishes that In those cases contemplated by articles 7, 8, 9 and 10 of the criminal procedure code and subject to the conditions contained therein, bodies having their main place of business within the State are also liable in respect of offences committed abroad, provided that prosecution is not brought by the State in the place where the act is committed.

The key points of D. Lgs. no. 231/01 regard:

- a. identification of the people who, committing an offense in the interest of or to the advantage of an Entity, may determine its liability. In particular, they may be:
  1. persons serving as representatives, or holding administrative or senior executive positions within the body or an Organizational unit of same, and being financially and functionally independent, as well as by persons actually exercising management and control of same, shortened to the **“Executive”**).
  2. persons under the direction or supervision of one of the persons as per above, (shortened to **“Persons under Direction”**).

To this end, it should be noted that it is not necessary for Persons under Direction to have an employment relationship with the Entity, this notion also includes agents, partners in joint ventures, consultants, distributors, suppliers and freelancers.

- b. the type of offence that, if committed, may result in the application of penalties pursuant to the Decree, which are specifically identified in the same Decree and which are briefly listed below, for a more detailed description of the single types of offence, including the possible procedures of commitment, see the complete list in Annex A (List of Offences):

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<sup>1</sup> In particular the Brussels Convention of 26 July 1995 on the protection of financial interests of the European Community, Brussels Convention of 26 May 1997 on the fight against corruption involving officials of the European Communities or officials of Member States of the European Union and OECD Convention of 17 December 1997 Convention on Combating Bribery of Foreign Public Officials in International Business Transactions

1. offences against the Public Administration pursuant to art. 25 of D. Lgs. no. 231/01;
2. IT-related felonies and unlawful processing of data, introduced by art. 7 of Law 48/2008, which added art. 24-bis to D. Lgs. 231/01, as well as per art. 9 paragraph 1 of Decree Law no. 93/2013 converted with amendments by Law no. 119 of 15/10/2013;
3. forgery of money, money values having legal tender or revenue stamps and instruments or identification signs, introduced by article 8 of Law 406/2001, which added art. 25-bis to D. Lgs. 231/01, as well as per art. 9 paragraph 3 letter a) of Decree Law no. 93/2013 converted with amendments by Law no. 119 of 15/10/2013;
4. corporate offences pursuant to article 25-ter of the Decree;
5. felonies committed for purposes of terrorism or felonies designed to subvert democracy introduced by Law no. 7/2003, which added article 25-quater to D. Lgs. no. 231/01;
6. mutilation of women's genitals, introduced by art. 8 of Law 7/2006 that added art. 25-quater to D. Lgs. no. 231/01;
7. felonies against individual's freedoms as per article 25-quinquies of the Decree;
8. market abuse, contained in part V, title 1-bis, chapter II of the consolidate act as per D. Lgs. 58/1998 introduced by art. 9 of Law no. 62/2005 that added art. 25-sexies to D. Lgs. 231/01;
9. manslaughter or serious bodily harm committed with breach of laws governing the safeguarding of workplace health and safety, as introduced by art. 9 of Law no. 123/2007 that added art. 25-septies to D. Lgs. 231/01
10. handling stolen goods, laundering and use of money, assets or benefits whose origin is illegal, as introduced by art. 63 of D. Lgs. no. 231/2007 that added art. 25-octies to D. Lgs. 231/01;
11. auto-laundering, introduced by Law. no. 186 of 15 December 2014, which amended D. Lgs. no. 231/2001 in art. 25 octies;
12. offences of a transnational nature, included and punished by articles 416, 416 bis, 377 bis and 378 penal code, from art. 74 of Presidential Decree 309/1990 and art. 12 of D. Lgs. 286/1998 introduced by Law 146/2006;
13. felonies regarding breach of copyright, included and punished by articles 171, paragraph 1, letter a) bis and paragraph 3, 171 bis, 171 ter, 171 septies, 171 octies of Law no. 633/141 and later amendments, as introduced by Law no. 99 of 23/07/2009 that added article 25 novies to the Decree;
14. inducements not to make statements or to make false statements to the courts, as included and punished by art. 377 bis of the Penal Code, introduced by D. Lgs. no. 121 of 07/07/2011 that added article 25 decies to the Decree;
15. environmental crimes, as introduced by D. Lgs. no. 121 of 07/07/2011 that added article 25 undecies to the Decree with later amendments;
16. employment of illegally staying third-country nationals, as

included in article 22, paragraph 12 bis, of Decree Law no. 286 of 25/07/1998 introduced by D. Lgs. no. 109 of 16/07/2012 that added article 25 duodecies to the Decree no. 231/2001;

17. racism and xenophobia, as per art. 25- terdecies of the Decree introduced by law no. 167 of 2017;
18. crimes of fraud in sporting competitions and illegal gambling or betting and games of chance using prohibited devices as per art. 25-quaterdecies of the Decree, introduced by, Law no. 39 of 3 May 2019;
19. tax crimes, as per art. 25- quinquiesdecies of the Decree, introduced by Decree Law no. 124 of 26 October 2019, converted with amendments by Law no. 157 of 19 December 2019;
20. customs offences, as per art. 25-sexiesdecies of the decree, introduced by D. Lgs. no. 75 of 14 July 2020.

The penalties included in the Decree for liability of the Entity are:

- (a) Administrative fines;
- (b) Disqualification;
- (c) Confiscation;
- (d) Publication of the conviction.

**(a) Administrative fines**

The administrative fine, which consists in payment of a sum of money in the amount determined by the Judge, according to the criteria as per Legislation Decree 231/01, up to the amount of 1,549,000.00 euro, which can be increased by the Judge if certain circumstances are met.

**(b) Disqualification**

Disqualifications included in D. Lgs. no. 231/01 are:

1. disqualification from exercising the activity;
2. prohibition on entering into contracts with the Public Administration;
3. suspension or cancellation of authorisations, licenses or concessions functional for committing the offence;
4. exclusion from entitlement to public concessions, grants, contributions or subsidies and cancellation of those already granted;
5. prohibition on publicising goods or services.

They apply only in relation to offences expressly provided and for which at least one of the conditions as per article 13 of D. Lgs. no. 231/01 is met; they are:

- *“the body obtains significant profit from the offence and the offence is committed by senior officers or otherwise by persons reporting to others when, in this case, commission of the offence is caused or facilitated by severe*

*Organizational shortcomings*”;

- *“in the event of repeated unlawful acts” (id est: the commission of an unlawful act dependent on a offence during the five years from the final sentence for another previous one).*

In any case, disqualification sanctions are not applied when the offense has been committed in the prevailing interest of the perpetrator or third parties and the Entity has obtained a minimal or no advantage or the financial damage caused is particularly slight. Moreover, disqualification measures are not applied when the Entity has put in place the remedial conducts provided for in Article 17, Legislative Decree no. 231/01 and, more precisely, when the following conditions concur:

- *“the body has provided full compensation for the loss or damage and eliminated all harmful or hazardous consequences of the offence or otherwise if it has taken effective action to that end”;*
- *“the body has eliminated the Organizational shortcomings giving rise to the offence by adopting and implementing Organizational models capable of preventing offences of the type previously occurring”;*
- *“the body has made the profits obtained available for confiscation”.*

The duration of disqualification is no lower than three months and no greater than two years.

#### **(c) Confiscation**

Pursuant to Article 19, Legislative Decree no. 231/01 when convicted, the proceeds and profits of the offence are always confiscated from the body - including equivalent - of the price (cash or other economic profit given or promised to induce or determine another subject to commit the offence) or profit (immediately obtainable economic profit), save for a portion which may be returned to an injured party. This is without prejudice to rights acquired by third parties in good faith.

**(d) Publication of the Conviction**, which consists in publication of the conviction, either an excerpt or the whole, executed ex officio and at the expense of the convicted party, on the website of the Italian Ministry of Justice (for a period not longer than thirty days and, if there is no sentence from the Judge, for a period of fifteen days), as well as by affixing it in the Municipality where the Body has its main office.

## 2. CONDUCTS EXEMPTING ADMINISTRATIVE LIABILITY

The articles 6 and 7 of D. Lgs. no. 231/01 include specific forms of exemption from administrative liability of the Body for offences committed in the interest of or to the advantage of the same by Senior Executives and Subordinates.

In particular, in the case where the offences committed by Senior Executives, article 6 provides for exemption if the Body can demonstrate that:

- a. the senior executive organ adopted and efficiently enacted, prior to commission of the fact, *“Organizational and management models which are capable of preventing offences of the type that occurred”*;
- b. the task of overseeing such operations, compliance with the models and seeing to updating of same has been delegated to an Organization within the body (Supervisory Board, hereinafter also **“SB”**) vested with powers to act on its own initiative and conduct monitoring;
- c. the persons committed the offence by fraudulently circumventing the Organizational and management models;
- d. there has been no omission or insufficient oversight on the part of the Supervisory Board

For offences committed by Persons under direction, article 7 exempts the Entity from liability if, prior to commission of the offence, it had adopted and efficiently implemented an Organizational, management and control model which is capable of preventing offences of the type occurring.

### **3. ORGANIZATION, MANAGEMENT AND CONTROL MODEL OF TECHNOPROBE**

#### **3.1 TECHNOPROBE S.P.A.**

##### **3.1.1 The Company**

Technoprobe Spa is an Italian multinational company, worldwide leader in the sector of semiconductors and micro electronics.

With headquarters in Cernusco Lombardone, a municipality in the province of Lecco just outside Milan, Technoprobe has 11 offices in the world in Europe, Asia and the United States. Its customers are major worldwide giants in the world of microelectronics, IT and digital.

Technoprobe is specialised in designing, developing and manufacturing probe cards for chip operating tests. It is the number two manufacturer of probe cards in the world in terms of volumes and turnover.

Technoprobe's probe cards are cutting edge devices that are highly technological and custom made for their customers' products, used to test chip operation during the manufacturing process when they are still on the silicon wafer.

Thus these are technological projects and solutions that ensure operation and reliability of devices that are the core of the world of computers, smartphones, 5G, Internet of Things, domotics, automation, etc.

Founded in 1995 in a garage, from an entrepreneurial idea of its founder Giuseppe Crippa, Technoprobe had more than 1600 employees (978 employees in Italy) in 2021 and consolidated turnover of 377 million dollars in 2020.

##### **3.1.2 Governance system and Organizational structure**

Technoprobe Spa adopts a traditional type of governance system which, along with the Shareholders' Meeting, the body that expresses the company's will, includes a body with administration functions, the Board of Directors and one with control functions, the Board of Statutory Auditors.

The Board of Directors is composed of a variable number of members from three to five and has the broadest powers for the ordinary and extraordinary management of the company, with the exception of the Shareholders' Meeting authorisation on specific matters reserved by law and the Company's Articles of Association. The Board of Directors has appointed a Chairman, a Vice chairman and two chief executive officers, to whom the representation of Technoprobe S.p.A. is attributed *vis-a-vis* third parties and in before the court and which, *inter alia*, has the task of ensuring the adequacy of the Organizational, administrative and accounting structure of the Company.

Control and supervision of management is entrusted to the Board of Statutory Auditors which

is composed of 5 members and is call to monitor compliance with the law and Articles of Association on compliance with the principles of correct administration and in particular adequacy of the Organizational, administrative and accounting structure adopted by Technoprobe S.p.A. and its concrete operation.

The Company's financial statements are subject to auditing by an independent auditor appointed by the Shareholders' Meeting.

The Organization structure of Technoprobe S.p.A. is broken down into a multitude of functions reproduced in the company Organization chart, a document that is constantly updated and adjusted due to the flexibility of the Company Organization; the Organizational chart makes it possible to immediately understand the company structure and hierarchical lines, breakdown of responsibility and identification and identification of the subjects to whom such responsibilities have been entrusted.

### **3.2 PREPARATION OF THE MODEL - RISK ASSESSMENT**

Technoprobe strongly believes the compliance with the law and an ethical conduct are not just necessary and morally correct, but they also constitute an effective way of managing the Organization's activity, taken into account the context where it works. That said, the Company - sensitive to the need to ensure fair and transparent conditions in conducting its business and company activities, to protect its position and image, expectations of its shareholders and work of its employees - considered implementation of the Model as per the Decree to be compliant with its policies, as the starting point of a process of constant reinforcement of its own compliance system, active for some time in the Company.

Therefore, the Model constitutes a valid instrument to raise the awareness of all those who operate in the name of and on behalf of the Company, so that they maintain, in performing their activities, fair and transparent behaviour, based on procedures defined for this purpose to prevent the risk of committing the offences covered in the Decree.

This initiative was undertaken in the conviction that the Model can constitute a valid instrument to raise the awareness of all Company employees and all other subjects connected with the same (customers, suppliers, trade partners, freelancers for other purposes).

\*

Preparation of this Model was preceded by a series of preparatory activities broken into different phases and all aimed at constituting a risk prevention and management system in line with the provisions of D. Lgs. no. 231/01 and best practices of the sector.

In particular, in order to adopt the Model, the Company performed a risk assessment in order to:

1. allow the Company to adopt protocols best suited to prevent the unlawful acts in areas considered at risk; and
2. allow the Supervisory Board to identify the activities where they audit activities should be concentrated.

The risk assessment was performed through individual interviews with the so-called *process owner*, as well as examination of relevant internal documents and company Organizational chart, with the objective of identifying:

1. Company processes abstractly at risk for commission of offences;
2. specific activities, for each process identified, where one or more unlawful types of behaviour may be used;
3. the Function within which this activity is performed;
4. the categories of offences which can be potentially associated to each at-risk activity;
5. controls existing inside the identified activities.

**Risk assessment**

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

- a) so-called **inherent risk**, meaning the level of risk abstractly connected to each company activity, regardless of the existence of controls to such risk
- b) **control system** in preventing risks abstractly present in the company processes;
- c) so-called **residual risk**, which represent the level of risk determined taking into account the mitigating effect of the existing control system.

To this end, the level of inherent risk was identified based on the following quantitative indexes:

- a) **Probability**, meaning the frequency with which a given activity, identified as potentially at the risk of commission of an offence, is committed in the Company’s activity, according to the scale that follows:

scale	classification	description
1	Frequency low / episodic	the activity is performed in exceptional circumstances, without a defined frequency
2	Frequency medium / periodic	the activity is performed with a preset or determinable frequency
3	Frequency high / continual	the activity is performed constantly / with significant frequency

- b) **Impact**, meaning the seriousness of the consequences if one of the Predicate offences connected to the considered activity is committed:

scale	classification	description
1	low	administrative fine up to 500 quotes
2	medium	administrative fine up to 500 quotes
3	high	disqualification

These quantitative indexes have been weighted where necessary, by a qualitative evaluation related to the seriousness of the inherent risk.

Upstream from the inherent risk the overall effectiveness of the control system existing for each at-risk activity considered in mitigating existing inherent risks, taking into account:

- Correspondence of the processes to accepted best practices;
- Existence of written procedures, manuals or directives, aimed at governing the considered activities;
- Existence of IT tools or other automatic control instruments of the activities;
- Existence and level of a segregation of duties in the process;
- Existence of formalised powers and first level controls in the process.

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

The level of so-called residual risk has been determined starting from the identified inherent risk as above and considering the mitigating effect of the existent control system, according to the statement below:

		control system effectiveness		
		high	medium	low
inherent risk	low	low risk	low risk	low risk
	medium	low risk	medium risk	medium risk
	high	low risk	medium risk	high risk

**Gap Analysis and risk control**

Based on the risk assessment as described above and, in particular, the effectiveness of the existing control system compared to the best practices of the sector, the company identified

areas of possible further improvement, immediately implementing the measures necessary and adopting adequate control plans for residual risks, as well as a continual improvement process for the control system, that can be subject to periodic audit by the Supervisory Board, including based on a periodic revision of the residual risk level due to the constant improvement of the control system effectiveness.

### 3.3 MODEL PURPOSE

The Model prepared by Technoprobe based on the identification of possible risk areas in the company's activity, where the possibility of committing offences is considered higher, the following purposes are proposed:

- create, in all of those that work with, in name of, on behalf of and in the interest of Technoprobe in the "at-risk activity areas", the awareness of being able to incur, in the event of violation of the provisions herein, in an unlawful act liable for penalties, in criminal and administrative venue, imposed not only by the individual but also against the Company;
- convict every form of unlawful behaviour by the Model Recipients, since it is contrary to the provisions of law as well as the ethical principles adopted by the Company;
- guarantee to the Company, thanks to a control action of the company activities in the "at-risk activity areas", the concrete and effective possibility to intervene promptly to prevent the commission of the same offences.

The Model also proposes to:

- make aware, disseminate and circulate to all company levels the behaviour rules and protocols for planning training and implementing the Company's decisions in order to manage, and consequently, reasonably prevent the risk of commission of offences.
- preventively identify the "at-risk activity areas" related to Technoprobe's activity, i.e. the company areas involved in possible cases of offence pursuant to the Decree;
- provide the SB with specific duties and adequate powers to effectively oversee the effective implementation and constant operation of the Model, as well as to assess the maintenance over time of the solidness and functional requirements of the Model itself;
- correctly record all of the Company's transactions in the area of the activities identified at risk for commission of relevant offences pursuant to the Decree, in order to make it possible to audit decision-making and authorisation processes and their performance within the company, aimed at ensuring their preventive identification and traceability in all their relevant components;
- ensure the effective compliance with the segregation principle of company functions;
- breakdown and set the responsibilities for training and implementation of the decisions of the Company;

- establish authorisation powers assigned in line with the assigned Organizational and managerial responsibilities, making known the delegations of power, responsibilities and duties in the Company, ensuring that the documents used to confer powers and delegations are compatible with the preventive control principles;
- assess the activity of all subjects that interact with the Company, of the areas at risk for commitment of offences, as well as operation of the Model, taking care of the necessary periodic updating in dynamic sense if the analysis and assessments made make it necessary to make corrections and adjustments.

### **3.4 MODEL ADOPTION AND UPDATING**

The Model is adopted by the Board of Directors by resolution. After the adoption,

the Model should be updated when there is/are:

- introduction of new legislation;
- significant cases of violation of the Model and/or audit outcomes on the effectiveness of the same or experiences of public domain in the sector;
- Organizational changes of the company structure or the Company's activity sectors.

The update must be performed in cyclic and continuative form and the task for performing and formally implementing the Model is attributed to the Board of Directors, with the collaboration of the Supervisory Board.

Specifically:

- the Supervisory Board communicates to the Board of Directors any information it learns of which may result in the opportunity of proceeding with interventions to update the Model;
- the update program is prepared with the Company with the Supervisory Board and with contribution of the involved company Functions;
- the Supervisory Board monitors the implementation of the ordered actions and informs the Board of Directors of the outcome of the activities.

Amendments and additions are referred to the Board of Directors of the company.

Changes that regard implementation protocols of the Model (e.g. procedures) are adopted directly by the involved company Functions, possibly consulting the Supervisory Board which can express an opinion and make proposals in that sense.

## 4. SUPERVISORY BOARD

In order to guarantee the Company exemption from administrative liability in compliance with the provisions of art. 6 and 7 of the Decree, Technoprobe decided to establish, within its structure, a Supervisory Board in possession of the authority and powers necessary to supervise, completely autonomously, on the operation and compliance with the Model, as well as taking care of the relative update, proposing the relative changes to the Board of Directors of the Company.

According to the indications from the guidelines developed by category associations and interpretation provided by case law and literature, the supervisory Board should be a body inside the Entity, in a third party position and independence in relation to the other bodies of the same, in particular in possession of the following requirements:

- a. **autonomy and independence:** the Supervisory Board's position in the Entity must ensure the autonomy of the control initiative from every form of interference or influence by any body of the Company, including the directive body. This autonomy should be considered in not just a formal meaning, in the sense that it is necessary that the SB:
  - is in possession of effective inspection and control powers;
  - has access to significant company information;
  - is equipped with adequate resources (including financial);
  - can use instrumentation, supports and experts in performance of its monitoring activity.

The Supervisory Board must be ensured hierarchical independence: its members must not be directly involved in managing activity, or hold executive type functions in the Company that, make them participants in decisions and operating activities, which would threaten their objective judgement during audits on behaviours and Model.

The SB members must not be tied to the Company managers or to the company by any family relationship, significant economic interests (e.g. shareholdings) or by any situation that can generate a conflict of interest, even only potential.

- b. **professionalism** the SB members must have specific knowledge in relation to the techniques useful for preventing the commission of offences, find those already committed and identify the causes, as well as audit compliance with the Model and, when necessary, propose necessary Model updates. External members must possess, overall, adequate professionalism in law - criminal matters and economic-corporate subjects.
- c. **continuity of action**, to develop by means of a dedicated structure to constant supervision of compliance with the Model, able to constantly audit the effectiveness and

efficiency of the Model itself and provide for its continuous updating.

In compliance with the guidelines issued by category associations and case law orientation developed after the enactment of the Decree, the SB of Technoprobe is a board composed of three members of which at least two from outside the company, from which a Chairman shall be identified.

The members of the Supervisory Board, appointed by the Board of Directors, are identified from the subjects who have the knowledge and technical abilities necessary for performance of the Board's duties.

The members of the Company's Supervisory Board must:

- fulfil their office with the diligence required by the nature of the office, nature of the activity performed and their specific expertise;
- be in possession of the integrity requirements pursuant to art. 109 of D. Lgs. 1 September 1993, no. 385. The lack of such requirements constitutes cause for ineligibility and/or removal of the Supervisory Board and its members.

The following cannot hold the office of member of the Supervisory Board, and if appointed, will be removed from office:

- subjects who are direct or indirect holders of shareholdings in the Company or have been non-independent directors of the same, as well as relatives and similar of them to the fourth degree;
- subjects who have performed administrative functions - in the three years prior to appointment as member of the Supervisory Board - of companies subject to bankruptcy, forced administrative liquidation or equivalent proceedings;
- subjects that have had a public employment relationship and in this capacity, in the three years prior to prior to the office, had exercised authoritative or negotiable powers *vis-a-vis* the Company on behalf of public administrations;
- those who are in ineligibility and removal conditions provided by art. 2399 of the Civil Code;
- subjects that are subjected to preventive measures by order of a court authority under Legislative Decree no. 159 of 6 September 2011 with the exception of rehabilitation, i.e. they have been convicted, with the exception of the effects of rehabilitation:
  - a) for one of the offences contained in the regulations that govern banking, financial, movable property and insurance activities and regulations regarding movable goods and/or payment instruments;
  - b) for one of the crimes included in title XI of Book V of the Civil Code and Royal Decree no. 267 March 1942, no. 267;
  - c) for a crime against the public administration, against the public faith, against the public assets, against public order, against the public economy or for any tax crime;
  - d) imprisonment for a time not less for any

non-culpable offence.

Anyone who has had been applied, on request of the parties in a sentence included in the previous points a), b), c), d) cannot be members of the SB unless the offence has been extinguished.

The subjects who take the position of SB member shall provide a self-certification that they are not in any of the conditions indicated above, and expressly agree to communicate to the Board of Directors any changes to the contents of the certificate as soon as they occur.

The existence and permanence of such subjective requirements are in any case, from time to time, verified by the Company's Board of Directors both prior to appointment and during the entire period that the SB members remain in office. Should such requirements cease to exist during the member's term in office, they shall be removed from office.

The appointment and revocation of the Supervisory Board are reserved exclusively for the Company's Board of Directors.

SB members can be removed from office only for just cause. In the event of revocation, removal or expiration, the Company's Board of Directors shall promptly substitute the revoked or removed member, after verification that the new member possesses the aforesaid subjective requirements.

In order to ensure effective and constant implementation of the Model, as well as continuous action the duration of the Supervisory Board's office is at least two years, renewable by resolution of the Company's Board of Directors.

The members of the Supervisory Board may withdraw from office at any time, by notice at least two months, without having to provide any reason.

The functions reserved for the SB components cannot be delegated in any case.

The Company's Board of Directors reserves the right to establish for the entire duration in office annual remuneration for the subjects hold the positions of Supervisory Board member.

The Supervisory Board reports its operations directly to the Company's Board of Directors and is not connected to operating structures by any hierarchical tie so to ensure its complete autonomy and independence of judgment in performing the duties assigned to them.

In order to perform the position and function of Supervisory Board, the aforesaid body are assigned by the Company's Board of Directors the powers of initiative and control and the prerogatives necessary for performing the Supervisory activity on the operation and compliance with

the Models and updating of the same in compliance with the provisions of the Decree (see the paragraph below).

Moreover, for the specific purposes of performing the supervision and control activity, the Company's Board of Directors, taking into account the Supervisory Board's activities, shall allocate to the same an annual budget for performing the activity in complete economic and managerial autonomy. This budget shall be updated from time to time based on the specific needs that shall be determined by the Supervisory Board. If the budget is exceeded due to specific needs they will be communicated by the Supervisory Board to the Company's Board of Directors.

The Supervisory Board, periodically assessing its adequacy in terms of Organizational structure and conferred powers, proposes to the Company's Board of Directors any modifications or additions it deems necessary for its optimal operation in compliance with current legislation.

The Supervisory Board may use - where necessary - of the support of other company functions or external consultation.

#### **4.1 FUNCTIONS AND POWER OF THE SUPERVISORY BOARD**

The SB is granted the following attributions:

- 1) verify the compliance with the provisions of the Model by the Recipients, reporting any non-fulfilment and the sectors more at risk, in consideration of verified breaches.
- 2) verify the efficiency and effectiveness of the Model in preventing unlawful acts as per D. Lgs. 231/2001;
- 3) report to the Company's Board of Directors any needs or opportunities for updating the Model, where they find needs for adjust the same, including in relation to changed normative or company conditions;
- 4) report to the Company's Board of Directors, for opportune provisions, ascertained breaches of the Model that could lead to the occurrence of a liability for the Company.

For an effective performance of the aforesaid functions, the Supervisory Board is entrusted with the following duties and powers:

- prepare and implement an audit program on the effective application of the company procedures in the at-risk activity areas and their effectiveness;
- request the periodic audit of the mapping of the at-risks areas in order to adapt it to changes in the activities and/or company structure;
- perform the control activities on the operation of the Model, including through identified internal and/or external functions;
- perform audits targeting situations considered particularly at risk.
- verify the adequacy of the training and instruction initiatives performed on the principles;

the values and behaviour rules contained in the Model, as well as the level of knowledge of the same;

- gather all the information regarding any breaches of the provisions included in the Model and perform any consequent investigations;
- indicate to the executive bodies, based on their relative competences, any need to adopt corrective actions necessary to improve the effectiveness of the Model;
- gather, process and retain significant information regarding the Model;
- monitor the adequacy of the sanction system;
- verify, including through specific meetings with company functions, the performance of activities in relation to the procedures established by the Model, as well as identifying any new at-risk areas and, in general, verify the various aspects related to implementation of the Model;
- coordinate with the various managers of company functions, in order to promote initiatives for dissemination of knowledge and understanding of the principles of the Model and to ensure the preparation of internal Organizational documentation necessary for operation of the same, containing instructions, clarifications or updates;
- periodically report the results of performed assets to the corporate bodies.

To this end the Supervisory Board shall have the right to:

- access every and any corporate document relevant for performing the functions assigned to the Supervisory Board pursuant to the Decree;
- use, under its own direct supervision and responsibility, in agreement with the Company's Board of Directors, the help of the internal or external subjects of the Company, assigned to perform the operative audit activities;
- proceed at any time, within the area of its own autonomy and discretion to audit regarding application of the Model, which can be carried out separately by each of its members;
- ask and obtain that the company function managers and, when necessary, the executive body, as well as freelancers, consultants, etc., promptly provide information, data and/or news requested from them for monitoring the various company activities pertinent pursuant to the Model, or to verify the effective implementation of the same by the company Organizational structures.

The Supervisory Board's work cannot be syndicate by any other body or company structure.

The Supervisory Board, consequent to performed audits, normative modifications intervening from time to time, as well as the verification of the existence of new at-risk areas, informs the competent company functions of the opportunity for the Company to proceed with the relative adjustments and updating of the Model.

The Supervisory Board verifies that any corrective actions recommended are undertaken by the competent company functions.

If there are problems interpreting or questions about the Model, the Recipients may contact the Supervisory Board for the opportune explanations.

## 4.2 SB INFORMATION TO COMPANY BODIES

Technoprobe's SB shall have the duty of informing the company bodies according to the two reporting lines below:

1. The first, continuously, directly with the Chief Executive Officer in order to promptly report any problems found, where relevant and, in particular, immediately report any ascertained breaches of the Model which can lead to the occurrence of a liability for the Company;
2. Secondly and periodically to the Company's Board of Directors and Board of Statutory auditors, by transmitting to the Company's Board of Directors and Board of Statutory auditors an annual written report on the implementation of the Model at the company, which also includes any proposals for modifications and/or updates to make to the Model.

Without prejudice to the above, the Supervisory Board may consult with the Company's Board of Directors and Board of Statutory Auditors at any time, to report on the operation of the Model or specific situations or, in case of particular need, it may report directly and on its own initiatives to company bodies.

The Supervisory Board meets periodically on at least an annual basis, with the Board of Statutory Auditors and Independent Auditor in order to coordinate their respective audit activities and to share any findings resulting from the same.

## 4.3 COMMUNICATIONS TO THE SB: INFORMATION FLOWS AND so-called *WHISTLEBLOWING*

In order to allow the Supervisory Board to monitor the adequacy and operation of the Model, a communication system has been implemented between the Company and SB having all sensitive areas as subject, as identified in the Special Part.

The purpose of the communication system to the SB is to allow the same to constantly acquire relevant information on all sensitive areas.

The system implemented by the Company includes two different forms of communication towards the SB.

- Reports (so-called *whistleblowing*)
- Information flows

### **Reports (so-called *Whistleblowing*)**

Each Recipient is required to report, as quickly as possible, every

problem or criticality found in application of the Model provisions. In particular,

the following need to be reported:

- unlawful conduct which integrate one or more types of offence which could result in a liability for the entity as per D. Lgs. 231/01;
- conduct that, even if not integrating any type of offence, amounts to breach of the rules of ethics and conduct, procedures, protocols of provisions contained in the Company's Model or Code of Ethics.

The report, sufficiently substantiated, must be performed as required by the Whistleblowing Procedure which in the version from time to time valid constitutes an integral part of the Model.

Sending reports for the sole purpose of retaliation or intimidation or unfounded reports performed with fraud or negligence is punishable.

The Company guarantees the maximum confidentiality on the reported subjects and events, using for this purpose, communication criteria and means suitable for protecting the identity and integrity of the persons mentioned in the reports, so that the person making the report is not subject to any form of retaliation, preventing the communication of acquired information to third parties not involved in managing the report.

**Reporting parties in good faith shall be guaranteed against any form of retaliation, discrimination or penalisation.**

**Anonymous reports** are permitted. However, the same limit the possibility for the Company to carry out an effective verification of what was reported, since it is impossible to establish an easy information channel with the reporting person. Thus the same shall be taken into consideration only if adequately substantiated and detailed and for potential unlawful acts or irregularities assessed as serious. Factors considered relevant for assessing an anonymous report include the credibility of the represented fact and the possibility of verifying the truthfulness of the breach from reliable sources.

The reports can be transmitted by:

- 1) Email to [OdV@technoprobe.com](mailto:OdV@technoprobe.com) with access reserved to SB members, or
- 2) Ordinary mail to the address Cavalieri di Vittorio Veneto n. 2, Cernusco Lombardone (LC), with the words "*reserved and confidential*", to the attention of the Supervisory Board.

It is completely prohibited for every recipient of the Model to make acts of retaliation or discrimination, direct or indirect, to the reporting person for reasons connected, directly or indirectly, to the report. The SB has the duty to act undertaking all of the necessary precautions in order to guarantee that this principle is followed, moreover ensuring the confidentiality of the reporting party's confidentiality, without prejudice to legal obligations and the rights of the

Company or persons erroneously and/or in bad faith accused.

### Information flows

The purpose of the information flow system implemented by the Company is to create a communication system between the managers of activities potentially at risk and the SB that is structured, continuous and widespread.

Information flows materialise through sending communications and/or documents to the SB according to the specific time frames and procedures.

Information flows are broken down into:

- **Periodic information flows** to send to the SB at an established date;
- **Per event information flows** to send to the SB when certain events occur.

For details on formalised flows, both periodic and per event, see the Special Part of the Model, where the information flows to send to the Supervisory Board, both periodic and per event, are identified for each relevant company process.

In addition to the formalised flows indicated in the Special Part, all Recipients are required to transmit/report to the SB:

- internal reports that indicate liability for relevant offences for the purposes of the Decree or facts, events or omissions, even only potential connected to the relevant types of offence for the Decree;
- visits, inspections and verifications started by the competent entities and result of the same;
- orders and/or information from the criminal investigation department of the police, or any other authority, revealing that investigations are being conducted, even against unknown perpetrators, in relation to offences of the types identified in the Decree;
- requests for legal assistance made by the directors, managers and/or employees in relation to which the Court is undertaking proceedings for offences included in the Decree;
- news related to disciplinary proceedings (related to the Model) carried out and any penalties imposed or motion to dismiss and the relative reasons;
- information on the evolution of activities related to the at-risk areas identified by the Model and/or changes in the company Organization;
- information related to the management of safety and progress of implementation of planned interventions;
- the company chart and the system of power and signatory delegations and any modifications related to them;
- certification of attendance at training courses by all Model Recipients;

- any information concerning the commission or attempt of commission of unlawful conduct included in the Decree or which, in any case, are relevant for the purposes of administrative liability of the Company;
- any information concerning breach of the behaviour and operating procedures contained in the Model, and generally any act, fact, event or omission regarding any criticalities found in terms of compliance and correct implementation of the Model;
- information related to changes in the Company structure.

All communications need to be sent to the following email address [OdV@technoprobe.com](mailto:OdV@technoprobe.com)

## **5. INFORMATION AND TRAINING**

### **5.1 TRAINING**

In order to effectively implement the Model, the HR Function and Legal Function, in coordination with the SB prepare, based on actual needs found by the Supervisory Board, an annual training program for the Company's directors, managers, employees and freelancers.

In particular, the training activity will focus on, inter alia, the Model as a whole, the Code of Conduct, operation of the Supervisory Board, the information flow towards the latter and the Disciplinary System, operating procedures of the Company relevant for the purposes of the Model, as well as issues concerning Predicate offences for application of liability pursuant to 231/01.

The training activity shall be modulated, where necessary, in order to provide its users with adequate instruments to completely comply with the provisions of the Decree in relation to the operating area and duties of the recipients of the training activity.

The training activity is differentiated, in its contents and procedures for delivery, based on the qualification of the recipients, level of risk of the area where they work and whether they have Company representation functions.

The training activity is managed by HR Function and Legal Function, in close collaboration with the SB.

At the time of hiring employees or engaging freelancers and agents/distributors they shall be given an information set in order to ensure they have the main knowledge considered essential for working with the Company (see the paragraphs below).

The contents of the courses must be established beforehand with the Supervisory Board which, for such purpose, within its own activity area, may and shall indicate the subjects and topics that should be treated and studied in-depth or on which it is necessary to call attention of the members of corporate bodies and employees.

The Supervisory Board along with the HR Function and Legal Function, will ensure that the training program is adequate and effectively implemented. Training initiatives may be held remotely using IT systems.

Suitable communication instruments, if needed along with sending updates by e-mail, shall be adopted to update the Recipients on any changes made to the Model, as well as every relevant procedural, normative or Organizational change.

Attendance at training is mandatory for all employees, freelancers and non-employee directors of the Company and is recorded by the HR Function which

takes roll: being absent without an excuse shall be adequately punished. The Model is communicated formally according to the procedures described below.

## **5.2 COMMUNICATIONS TO STAFF**

Each Company director, manager, employee and freelancer is required to:

- i. become aware of the contents of the Model;
- ii. know the operating procedures with which their own activity is implemented;
- iii. actively contribute in relation to their position and responsibilities, to effective implementation of the Model, reporting any shortcomings found in it.

In order to ensure an effective and rational communication activity, the Company promotes and facilitates the knowledge of the Model contents by Employees, with diversified degree of study based on the degree of involvement in sensitive activities, as identified in the Special Parts of the Model.

Information related to the contents of the Model is ensured by:

- delivery or making available the Model and relative annexes, including the Code of Conduct, at the time of hiring/engagement, including electronically;
- informational e-mail, including for the purposes of periodically sending updates to the Model.

The HR Function and Legal Function are responsible for distributing the Model and relative annexes. In particular, these functions send documentation to the recipients and receive indication of reception from each recipient through the same channel. The Supervisory Board checks that the competent function have correctly distributed the Model and relative updates.

All directors, managers, employees and freelancers are required to complete a declaration stating that they have read the Model and agree to comply with the provisions therein.

## **5.3 COMMUNICATIONS TO THE PUBLIC**

The adoption of the Model is communicated and distributed also to subjects outside the company, such as customers, suppliers, trade and/or financial partners and consultants in general.

After the communication and formal commitment by the aforesaid external subjects towards the Company to comply with the principles of the Company Code of Conduct and this Model are documented through preparation of specific declarations or contractual clauses duly provided and accepted by the counterparty.

In particular, all of the competent company functions must act so that finalised contracts contain specific standard clauses aimed at:

- compliance by the counterparties of the provisions of D.Lgs. 231/2001 and ethics and behaviour principles adopted by the Company;
- the possibility of the Company to use control actions in order to verify compliance with D. Lgs. 231/2001 and ethics and behaviour principles adopted by the Company;
- inclusion of punishment mechanisms (contract termination) in the event of relevant breaches pursuant to D. Lgs. 231/2001 and breaches of ethics and behaviour principles adopted by the Company;

In contracts with external freelancers a specific clause must be added that governs the consequences of breach by the same of the provisions of the Decree as well as the principles contained in the Model.

The company structures that use external subjects or which are designated Managers of the process which the activity is part of noting the data and information that make it possible to know and learn their behaviour, making them available, when requested, to the SB for performing its control activity.

It must be possible for external subjects to read the Code of Conduct.

The Supervisory Board performs a support activity for the other company subjects, when information related to the Model is to be given outside the Company.

## **6. DISCIPLINARY SYSTEM AND MEASURES FOR FAILURE TO COMPLY WITH THE MODEL PROVISIONS**

### **6.1 GENERAL PRINCIPLES**

Art. 6, paragraph 2, letter e) and art. 7, paragraph 4, letter b) of D. Lgs. 231/2001 establishes (referred both to individuals in an executive position and to individuals under the direction of others) the necessity to prepare “a disciplinary system to punish noncompliance with the measures set out in the model.”

It represents an essential aspect for the effectiveness of the Model and is composed of construction of an adequate disciplinary system for the breach of rules of conduct and, generally, internal procedures (disciplinary offence).

The application of the disciplinary system includes the simple breach of rules and provisions contained in the Model, including the provisions contained in the Code of Conduct, there for it shall be activated independently from the commission of an offence and the outcome of criminal proceedings started by the competent Court Authority.

### **6.2 SANCTIONS APPLICATION CRITERIA**

In single cases, the type and extent of the specific sanctions shall be applied in proportion to the seriousness of the shortcomings and, in any case, based on the general criteria described below:

- a. subjective conduct element, depending on wilful misconduct or negligence (gross negligence, imprudence and lack of expertise);
- b. relevance of the breached obligations;
- c. relevance of the damage or degree of resulting danger to the Company from application of the penalties contained in D.Lgs.231/2001;
- d. level of hierarchical and/or technical liability;
- e. presence of aggravating or mitigating circumstances with particular regard to previous work performances and previous disciplinary measures;
- f. any sharing of liability with other workers who contributed to determining the shortcoming.

If with just one act more than one breach is committed, punished with different penalties, the most severe penalty is applied.

### **6.3 AREA OF APPLICATION AND RELEVANT BEHAVIOURS**

#### **6.3.1 Company employees**

##### **6.3.1.1 Non-executive employees**

Without prejudice to the prior contestation and to the procedure prescribed by art. 7 of the law 20 May 1970 n. 300 (so-called Workers' Statute) - for the purposes of which this "disciplinary system" is also made available in a place / in a manner accessible to all -, the disciplinary  
General Part

sanctions herein apply to Company employees (not executives) who implement the following behaviours:

- a. the adoption of acts of retaliation or discrimination, direct or indirect, against the whistleblower pursuant to the Whistleblowing Procedure, for reasons directly or indirectly connected to the report;
- b. making a report with fraud or negligence pursuant to the Whistleblowing Procedure, later deemed unfounded;
- c. lacking, incomplete or untrue representation of the activity performed related to the documentation procedure, storage and control of the acts related to procedures in order to impede the transparency and truthfulness of the same;
- d. breach and/or evasion of the control systems, implemented to theft, destruction or alteration of the documentation of the procedure or impeding the control or access to information and documentation of controlling subjects, including the Supervisory Board;
- e. failure to comply with the provisions contained in the Model, including those contained in the Code of Ethics;
- f. noncompliance with the provisions related to signatory powers and delegation system;
- g. failure to supervise the behaviour of personnel operating within their sphere of responsibility in order to verify their actions within the areas at risk of crime and, in any case, in carrying out activities instrumental to operational processes at risk of crime;
- h. breach of the obligation to attend training courses (also in terms of health and safety) prepared by the Company, with no excused absence;
- i. breach of the internal company rules and procedures which require the adoption of safety and prevention measures;
- j. breach of the reporting obligations to the SB in relation to any breach of the Model that is learned of.

### 6.3.1.2 Executive employees

Notwithstanding the prior contestation and the procedure prescribed by art. 7 of the law 20 May 1970 n. 300 (so-called Workers' Statute) - for the purposes of which this "disciplinary system" is also made available in a place / in a manner accessible to all -, - the disciplinary penalties herein apply *vis-a-vis* Company employees (executives) who implement the behaviours as per letters a) to j) of the previous paragraph as well as the following additional specific behaviours:

- k. assumption, in carrying out their respective duties, of behaviours that are not compliant conduct reasonably expected from an executive, in relation to the position held and the degree of recognised autonomy;
- l. breach of the reporting obligation to SB of anomalies or failure to comply with the Model, as well as any criticality that the executive learns related to the performance of the activities in the at-risk areas by the subjects assigned.

### **6.3.1.3 Company directors**

The penalties herein apply to directors who implement the following behaviours:

- a. noncompliance with the provisions contained in the Model or behaviour non adequate for the Model;
- b. breach of the supervision and control obligations of their staffs;
- c. delay in adopting measures following reports of breach of the Model received from SB.

### **6.3.1.4 Third parties**

The measures herein apply to third party subjects, meaning all the subjects that for any purpose undertake relations with the Company, other than employees and directors (by means of example, collaborators, external consultants, trade and/or financial partners, suppliers), who engage the following behaviours:

- d. noncompliance with the contents of the Code of Conduct and provisions of the Model applicable to it;
- e. commission of relevant unlawful acts pursuant to D.Lgs. 231/2001.

## **6.4 BREACH ASSESSMENT PROCEDURE AND SANCTIONS APPLICATIONS**

When the Supervisory Board receives any breaches of the Model that do not involve the Chief Executive Officer, it informs the latter, which shall be required to activate the relative disciplinary procedure, using the technical support of the competent company structures.

If, following verifications and assessments performed, breach of the Model is ascertained, Board of Directors or HR Function applies to the perpetrator/s of the offences, in compliance with the guarantees provided by law and collective contracts, the sanctions contained in the applicable national collective contracts, as indicated herein.

If the breaches of the Model are attributable to the Chief Executive Officer, the Supervisory Board informs the Board of Directors and Board of Statutory Auditors for adoption of opportune measures.

In the event of breach of the Model by one or more of the Company Directors, the SB will immediately inform the Board of Directors and Board of Statutory Auditors. If the breach is committed by the Board of Directors as a whole or by multiple directors, the SB shall report it immediately to the Board of Statutory Auditors.

In order to permit monitoring on the application of disciplinary penalties to employees, the HR Function communicates to the Supervisory Board that the penalties have been

applied.

## 6.5 PENALTIES

### 6.5.1 Penalties applicable to non-executive employees

For employees, who have implemented the above described behaviours in breach of the rules and principles as per this Model, disciplinary penalties are applied in compliance with the following:

- art. 7 of Law 30 May 1970 - Workers' Statute and its additions and amendments,
- applicable articles of the Civil Code (by means of example art. 2106 of the Civil Code);
- from any applicable additional special legislation;
- from the applied National Labour Collective Contract.

in particular the disciplinary penalties that may be imposed applying the criteria identified above are as follows:

- verbal warning: this penalty will be imposed in less serious cases of an employee's behaviour, or in cases of minor non-compliance with the Model and obligations of the employee that have not produced consequences with external relevance;
- written warning: this penalty is imposed in cases of
  - (i) repeat of breaches that determined the penalty of a verbal warning, as long as imposed in the two years prior to the reoccurrence;
  - (ii) minor non-compliance with the Model and the obligations of the employee that produced consequences with external relevance;
- fine not higher than three hours of hourly remuneration: this penalty will be imposed in cases of:
  - (i) repeat of breaches that determined the written warning penalty;
  - (ii) not serious non-compliance with the Model and obligations of the employee;
- suspension from work and remuneration up to a maximum of three days: this penalty will be imposed in cases of:
  - (i) repeat of breaches that determined the penalty of a fine, as long as imposed in the two years prior to the reoccurrence;
  - (ii) serious non-compliance with the Model and obligations of the employee;
  - (iii) serious procedural breaches able to expose the Company to liability *vis-a-vis* third parties;
- dismissal with notice: this penalty is imposed in cases of

- (i) repeat of breaches that determined the penalty of a suspension, as long as imposed in the two years prior to the reoccurrence;
  - (ii) serious non-compliances of the Model and obligations of the employee in relation to proceedings where the Public Administration is party, serious non-compliance of a procedure aimed at preventing behaviours integrating corporate offences;
- dismissal without notice: this penalty is imposed in cases of malicious breaches of the Model and obligations of the employee and so forth, by means of example
- (i) malicious breach of procedures with external relevance and/or fraudulent evasion through a behaviour unequivocally aimed at committing an unlawful act relevant pursuant to D. Lgs. 231/2001, sufficient for ending the fiduciary relationship with the employer.
  - (ii) breach and/or evasion of the control systems, implemented maliciously by theft, destruction or alteration of the documentation of the procedure or impeding the control or access to information and documentation of controlling subjects, including the Supervisory Board;
  - (iii) lacking, incomplete or untrue documentation of the activity performed related to the procedures for documentation and retention of procedural documents, done maliciously to impede the transparency and truthfulness of the same.

The HR function Manager is responsible for managing the formal procedure and communication related to the infliction of penalties as per this Model.

The HR function reports to the Supervisory Board regarding the application of the issued disciplinary penalties. The Supervisory Board and the HR function monitor the application of disciplinary penalties.

### **6.5.2 Penalties applicable to management**

In terms of managers, in consideration of the particular fiduciary relationship with the employer, in the event of breach of the general principles of the Model, behaviour rules imposed by the Code of Conduct and company procedures - including reported by the Supervisory Board - the Board of Directors will undertake measures for the managers considered suitable based on the breaches committed, including dismissal, in compliance with the provisions of the applicable National Collective Contract of Employment, taking into account that the same constitute non-fulfilment of the obligations resulting from employment.

### **6.5.3 Measures against the directors**

The following penalties are applied for directors, who have implemented the behaviours as per the above paragraphs in breach of the rules and principles inferred from this Manual:

- written censure in the case of minor breaches of the Model or obligations to monitor and control staff or slight delay in adopting the measures after reports of breach of the Model received from the SB;
- revocation of the appointment and/or office in case of serious breaches of the Model or obligations to monitor and control staff or slight delay in adopting the measures after reports of breach of the Model received from the SB;

The breaches committed by the directors can also result in litigation for liability, in the presence of conditions provided by law.

Breach of the Model by the directors shall be immediately reported to the SB by the person who discovers it. If the report is not clearly unfounded, the SB shall inform the Chairman of the Board of Directors (if the report does not regard him) and the Board of Statutory Auditors. Once the necessary investigations have been carried out, the Board of Directors, after consultation with the Board of Statutory Auditors, shall undertake measures considered opportune.

#### **6.5.4 Measures *vis-a-vis* third parties**

The behaviours as per the previous paragraphs by third parties as indicated above shall constitute non-fulfilment of the contract with the Company and can result in termination of the contract based on what is contained in the individual agreements.

Breach must be reported immediately to the Company's Chief Executive Officer and SB by the person who discovers it. If the report is founded, the Chief Executive Officer shall promptly give instructions so that immediate termination of the contract is ordered, keeping the SB informed.

Breach of the provisions as per the Model by third parties shall result in a ban on new contracts with the Company, with the exception of justified exemptions and communicated by the Chief Executive Officer and SB.