



**ORGANISATION, MANAGEMENT AND CONTROL MODEL**  
***Adopted pursuant to Legislative Decree No. 231 of 8 June 2001***

*Approved on 18/07/2024*



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## GLOSSARY

This document uses the following terms:

- **TM. E. S.p.A. - Termomeccanica Ecologia or T.ME. or Company:** T.ME. with registered office at Via del Molo 1/B - 19126 La Spezia registered in the Italian Business Register of Imperia, La Spezia and Savona with registration number, VAT number and tax code 01084420114;
- **Sensitive Activity:** the Company's activities where there is a risk, even potential, of the commission of offences theoretically applicable to said Company;
- **Instrumental Activity:** the Company's activities or areas where financial instruments and/or alternative means are managed, which, when combined with directly sensitive activities, may facilitate the commission of one of the Offences contemplated by the Decree, thus constituting the method of execution;
- **BoD:** Board of Directors of T.ME.;
- **Code of Ethics:** the current Code of Ethics, representing the set of values, principles and guidelines that inspire the Company's entire operations;
- **Employer:** the person holding the employment relationship with the worker, or in any case, the individual who, according to the type and structure of the business, is responsible for the business or production unit, as defined by Article 2, paragraph 1, letter b), of Leg. Dec. 81/2008;
- **Decree or Leg. Dec. 231/2001:** Legislative Decree of 8 June 2001, No. 231, concerning the "Regulation of the administrative liability of legal persons, companies and associations, including those without legal personality, pursuant to Article 11 of Law No. 300 of 29 September 2000" as updated and amended;
- **Recipients:** all individuals required to comply with the Organisation, Management and Control Model;
- **Entities:** legal entities, companies and associations, including those without legal personality, with the exception of the State, territorial public bodies, other non-economic public bodies, and bodies that perform functions of constitutional relevance;
- **Guidelines:** Guidelines issued by Confindustria in 2002 and subsequently updated in 2004, 2008, 2014 and 2021. The Guidelines provide associations and companies with methodological guidance on how to develop a Model suitable for preventing the commission of Offences and thus serving as a defence from liability and sanctions provided for by the Decree;
- **Model:** the Organisation, Management and Control Model pursuant to Article 6, paragraph



1, letter a), of Leg. Dec. 231/2001 adopted by T.ME;

- **Supervisory Body or SB:** the body with autonomous powers of supervision and control, entrusted by the Company with the responsibility of overseeing the effectiveness of, and compliance with the Model, as well as ensuring its updating;
- **PA:** the Public Administration, including its officials and individuals, both public and/or private, who perform a public service. For a complete definition, see the Special Section of the Model concerning relations with the PA.
- **Offences:** the offences for which administrative liability is provided for under Leg. Dec. 231/2001;
- **Internal Responsible Party:** the individual formally identified from time to time by the Company's protocols to oversee, implement and manage the at-risk operations related to the Sensitive Activities identified under this Model;
- **Private Parties:** directors, general managers, executives responsible for preparing the Company's financial documents, auditors, liquidators of a third-party company, or those subject to their direction or supervision, or individuals who, under current regulations, may be recipients of conduct involving private-to-private corruption under Article 2635 of the Italian Civil Code;
- **Third Parties:** third parties such as, but not limited to, project collaborators, interns, temporary workers, etc.;
- **Additional Parties:** additional third parties such as, but not limited to, suppliers, consultants, professionals, employment agencies, service contractors under Articles 4 and 20 of Leg. Dec. 276/2003, subcontractors and business partners, as well as any other third parties deemed appropriate by the Company.



## FOREWORD

### Structure of the Model

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

The **General Section** outlines the contents of the Decree, referencing the categories of offences that establish administrative liability for an entity, the potential sanctions and the conditions for exemption from liability. It also details the Company's organisational structure, the powers and functions of the Supervisory Body, and the activities carried out for the development and dissemination of the Model aimed at regulating its function.

The **Special Section** focuses on identifying Sensitive Activities as well as the principles, protocols and rules for internal organisation, management and oversight designed to prevent the risk of committing the offences outlined in the Decree that may occur in the course of the Company's operations.

Additionally, the following elements are integral parts of the Model:

1. The **Organisational System**: the Company's organisational structure is designed to ensure, on one hand, the separation of tasks, roles and responsibilities between operational departments and control departments, and on the other, maximum efficiency. As provided for in section 2.5, in the event of significant changes to the Company's organisational structure, the Model is promptly modified or supplemented by a resolution of the Board of Directors;
2. The **System of Powers of Attorney and Delegations**: the Company's Board of Directors is the body responsible for formally granting and approving delegations and signatory powers, assigned in alignment with the defined organisational and managerial responsibilities. A clear indication of expense approval thresholds is also provided. The level of autonomy, representation authority and spending limits assigned to the various holders of delegations and powers of attorney within the Company are established in line with the hierarchical level of the recipient of the delegation or power of attorney. The Company's powers of attorney are formalised through resolutions of the Board of Directors and notarial deeds and are communicated to the relevant recipient. The powers of attorney are then filed with the competent Italian Business Register. The system of delegations and signatory powers is regularly and periodically monitored as a whole and, if necessary, updated to reflect any changes in the company structure, ensuring it remains as consistent as possible with the Company's organisation;
3. **Manual and IT Procedures**: within its organisational system, the Company has established a set of procedures, both manual and IT-based, aimed at regulating the operation of the business in compliance with the principles of the Model, the Code of Ethics and the Guidelines. The manual and IT procedures implemented within the Company define the principles and rules to be followed in carrying out operations related to individual business processes and establish specific preventive checks that must be performed to ensure the correctness, effectiveness and efficiency of the Company in conducting its activities. In developing its manual and IT procedures, the Company ensures adherence to the following



principles: (i) promoting the involvement of multiple individuals to ensure adequate separation of duties through the division of functions; (ii) the adoption of measures to ensure that every operation, transaction or action is verifiable, documented, consistent and appropriate; (iii) the requirement to adopt measures to document the checks performed on the operations and/or actions undertaken;

4. **Management Control System:** the Company employs management control procedures that form the basis of the decision-making process, aimed at anticipating and thus mitigating managerial/organisational risks. These procedures, among other things, provide a clear indication of the overall business performance;
5. **Code of Ethics:** see section 2.4 below;
6. additionally, all **internal provisions, measures, acts and operational procedures** that implement this document.

To help the Recipients of this Model better understand its contents and objectives, it is useful to briefly outline the regulations contained in the Decree.



## GENERAL SECTION

### 1. LEGISLATIVE DECREE NO. 231 , 8 JUNE 2001

#### 1.1 The legal framework of administrative liability for legal entities, companies and associations

**Leg. Dec. 231/2001 introduces** and regulates **the administrative liability of entities for criminal offences**. The Decree, which implements European legislation on the fight against corruption, represents a significant innovation for our legal system, which, prior to 2001, did not recognise any form of criminal or administrative liability for corporate bodies. At most, the latter could be required to jointly pay fines, penalties or administrative sanctions imposed on their legal representatives, directors or employees.

The establishment of administrative liability for entities stems from the empirical observation that unlawful conduct committed within organisations often reflects not just the misconduct of individuals but the deviance of the economic interests driving the organisation in which the individual operates. Such misconduct is often the result of decisions made by the organisation's management. Therefore, it is considered that such criminal behaviour can only be effectively prevented by also sanctioning the entity, which is the actual beneficiary of the crime.

The scope of the Decree is quite broad and applies to all **entities with legal personality**, companies, associations, **including those without legal personality**, economic public entities and private entities granted a public service concession. However, the State, territorial public entities, non-economic public entities, and entities performing functions of constitutional relevance (such as political parties and trade unions) are excluded.

The legislation does not specifically address entities without a registered office in Italy. Nonetheless, in this regard, a ruling by the Investigating Judge of the Milan Court (Order of 13 June 2007; see also Investigating Judge of Milan, Order of 27 April 2004, and Milan Court, Order of 28 October 2004) established, based on the principle of territoriality, the **jurisdiction** of the Italian court **in relation to offences committed by foreign entities in Italy**.

#### 1.2 Characteristics and nature of the entity's liability

The new liability attributed to entities is based on the following punitive model: the legislator identifies certain types of crimes, always committed by natural persons, that can be committed in the interest or for the benefit of the entity; a specific link is identified between the perpetrator of the crime and the entity, such that it can be inferred that the perpetrator acted within the scope of the entity's activities; from the link between the natural person and the entity, and the link between the crime and the entity's interest, the entity incurs direct liability; and a distinct punitive system is selected for the entity, independent of that applicable to the natural person.

Therefore, the entity's liability arises if:

- an **offence** is committed that the Decree associates with the entity's liability;



- the **offence is committed** by an **individual with a specific connection to the entity**;
- there is an **interest or advantage for the entity** in the commission of the offence.

The **nature** of this new form of liability for the entity is **mixed**. It can be described as a liability that combines the essential features of both the **criminal and administrative systems**. The entity is held liable for an administrative offence and is punished with an administrative sanction, but the mechanism for imposing sanctions is based on the criminal process. The authority responsible for charging the offence is the Public Prosecutor, and the authority responsible for imposing the sanctions is the Criminal Court.

The administrative liability of the entity is independent of that of the natural person who commits the offence and therefore exists even if the perpetrator is not identified or if the offence has been extinguished for reasons other than amnesty.

The entity's liability is, in any case, additional to and does not replace that of the individual perpetrator of the offence.

### **1.3 Offences that give rise to the entity's administrative liability**

The entity's liability arises within the limits set by law. The first and fundamental limitation is the specific list of offences for which the entity can be held liable. This means that the entity cannot be sanctioned for an offence simply committed in the course of its activities, but only for the offences selected by the legislator and expressly indicated by law. The Decree, in its original version and subsequent amendments, as well as the laws that expressly refer to the provisions of the Decree, list in Articles 24 and following the offences (so-called predicate offences) that may give rise to the entity's liability.

The **limitation of the Decree's applicability to only predicate offences** is logical and understandable: it would make no sense to punish the entity for offences that have no connection to its activities and are solely the result of the choices or interests of the natural person who commits them. The offences in question cover very different categories. Certain offences are typical and exclusive to business operations, while others generally fall outside the scope of normal business operations and are more related to the activities of criminal organisations.

Leg. Dec. 231/2001, in its original version, provided that the administrative liability of entities would only arise from offences against the Public Administration and property crimes committed against the State or other public entities (**Articles 24 and 25** of the Decree).

**Additional offences** have subsequently been **included** in the list of those covered by the Decree.

As at the date of approval of this Model, the predicate offences specified by the Decree (the "**Offences**" or "**Predicate Offences**") fall into the following categories:

1. **Unlawful receipt of payments, fraud against the State, a public body or the European Union, or for obtaining public funds, computer fraud against the State or a public body, and fraud in public procurement (Art. 24 of the Decree, as amended by Law No. 161/2017, Leg. Dec. No. 75/2020, and Law No. 137/2023);**





2. **Cybercrime and unlawful data processing (Art. 24-bis** of the Decree – article added by Law No. 48/2008, amended by Leg. Dec. No. 7 and 8/2016, and Decree Law No. 105/2019);
3. **Organised crime offences (Art. 24-ter** of the Decree - article added by Law No. 94/2009 and amended by Law No. 69/2015);
4. **Embezzlement, extortion, undue inducement to give or promise benefits, corruption and abuse of office (Art. 25** of the Decree – article amended by Law No. 190/2012, Law No. 3/2019, and Leg. Dec. No. 75/2020);
5. **Counterfeiting of currency, public credit cards, revenue stamps, and identification instruments or marks (Art. 25-bis** of the Decree - article added by Decree Law 350/2001, converted with amendments by Law No. 409/2001, amended by Law No. 99/2009 and Leg. Dec. No. 125/2016);
6. **Crimes against industry and commerce (Art. 25-bis.1** of the Decree - article added by Law No. 99/2009);
7. **Corporate crimes (Art. 25-ter** of the Decree - article added by Leg. Dec. 61/2002 and amended by Law No. 190/2012, Law No. 69/2015 and Leg. Dec. 38/2017, Leg. Dec. No. 19/2023 of 2 March);
8. **Crimes with the purpose of terrorism or subversion of the democratic order under the penal code and special laws (Art. 25-quater** of the Decree - article added by Law No. 7/2003);
9. **Practices of female genital mutilation (Art. 25-quater.1** of the Decree - article added by Law No. 7/2006);
10. **Crimes against individual personality (Art. 25-quinquies** of the Decree - article added by Law No. 228/2003 and amended by Law No. 199/2016);
11. **Market abuse offences (Art. 25-sexies** of the Decree - article added by Law No. 62/2005);
12. **Other forms of market abuse (Art. 187- quinquies TUF** - amended by Leg. Dec. 107/2018);
13. **Involuntary manslaughter and grievous or very grievous bodily harm committed in violation of workplace safety, hygiene and health regulations (Art. 25-septies** of the Decree - article added by Law No. 123/2007 and amended by Law No. 3/2018 );
14. **Receiving, laundering and use of money, goods, or other assets of illicit origin, including self-laundering (Art. 25-octies** of the Decree - article added by Leg. Dec. 231/2007 and amended by Law No. 186/2014 and by Leg. Dec. 195/2021);
15. **Crimes related to means of payment other than cash and fraudulent transfer of assets (Art. 25-octies.1** of the Decree – article added by Leg. Dec. 184/2021 and amended by Law No. 137/2023);
16. **Other offences related to means of payment other than cash (Art. 25-octies. 1, paragraph 2 – article added by Leg. Dec. 184/2021)**
17. **Copyright infringement crimes (Art. 25-novies** of the Decree - article added by Law No. 99/2009 and amended by Law No. 93/2023);
18. **Inducement to withhold statements or make false statements to judicial authorities (Art. 25-decies** of the Decree - article added by Law No. 116/2009);



19. **Environmental offences (Art. 25-undecies** of the Decree - article added by Leg. Dec. 121/2011 and amended by Law No. 68/2015 and by Leg. Dec. 21/2018 and by Law No. 137/2023);
20. **Employment of third-country nationals whose stay is irregular (Art. 25-duodecies** of the Decree - article added by Leg. Dec. 109/2012 and amended by Law No. 161/2017 and by Decree Law No. 20/2023);
21. **Racism and xenophobia (Art. 25-terdecies** of the Decree - article added by Law No. 167/2017 and amended by Leg. Dec. 21/2018);
22. **Sports fraud, illegal gambling or betting, and gambling using prohibited machines (Art. 25-quatdecies** of the Decree - article added by Law No. 39/2019);
23. **Tax offences (Art. 25-quinquiesdecies** of the Decree - article added by Law No. 157/2019 and amended by Leg. Dec. No. 75/2020);
24. **Smuggling (Art. 25-sexiesdecies** of the Decree - article added by Leg. Dec. 75/2020);
25. **Crimes against cultural heritage (Art. 25-septiesdecies** of the Decree - article added by Law No. 22/2022 and amended by Law No. 6/2024);
26. **Laundering of cultural assets and devastation and looting of cultural and landscape assets (Art. 25-duodevicies** of the Decree - article added by Law No. 22/2022);
27. **Liability of entities for administrative offences arising from criminal activity** (Art. 12 Law No. 9/2013) [applies to entities operating in the virgin olive oil supply chain];
28. **Transnational offences** (Law No. 146 of 16 March 2006).

Additionally, it is noted that the aforementioned list of predicate offences may be expanded further in the future. Therefore, for a precise consultation of the predicate offences outlined by the Decree, please visit the following link: [www.reatipresupposto231.it](http://www.reatipresupposto231.it).

It should be noted, from the outset, that due to the nature of how each predicate offence is committed and the typical operations carried out by the Company, not all predicate offences indicated by the Decree are relevant to the Company, but only those listed in section 2.6 below.

#### **1.4 Criteria for assigning liability to the entity**

If a predicate offence is committed, the entity may only be punished if certain conditions, referred to as the criteria for assigning liability to the entity, are met. These criteria can be classified as either “objective” or “subjective”.

The **first objective condition** is that the offence must have been **committed** by an **individual having a qualified relationship with the entity**. Therefore, a significant connection must exist between the individual who committed the offence and the entity. Administrative liability can only be attributed to the entity if the perpetrator of the offence belongs to one of the following two categories:

- *Individuals in a “senior position”*, such as the legal representative, director, general manager or



head of an autonomous organisational unit, as well as individuals who, in practice, manage the entity. Essentially, these are people with **independent authority to make decisions on behalf of the company**. This category also includes any **individuals delegated** by the directors to carry out management or direction activities for the Company or its branches. In this context, the structure of the system of powers of attorney and delegations plays a key role in the overall logic of this Model;

- “*Subordinate*” individuals, being those under the direction and supervision of the senior individuals. This typically includes **employees**, but also **individuals who are not part of the entity’s staff**, to whom a **task has been assigned under the direction and supervision of senior individuals**. What matters for the purposes of being eligible for this category is not the existence of an employment contract but the **actual activity performed**. The law clearly aims to prevent entities from escaping liability by delegating tasks that could lead to an offence to external collaborators. External individuals affected by this include, for example, collaborators, promoters, agents and consultants, who, under the company’s mandate, carry out activities in its interest. Also relevant to this Model are mandates or contractual relationships with individuals who are not part of the Company’s staff, provided these individuals act in the name of, on behalf of, or in the interest of the Company.

The **second objective condition** is that the offence must be committed **in the interest of or to the advantage** of the entity. The offence must, therefore, be related to the company’s operations or the company must have derived some benefit, even a potential one, from the offence. The two conditions are alternative, and it is sufficient that at least one of the two be met:

- “**interest**” exists when the perpetrator of the offence acted with the **intention of benefiting** the Company, regardless of whether this objective was achieved;
- “**advantage**” exists when the Company gained or could have gained a **positive result, whether economic or otherwise**, from the offence.

The law does not require the benefit obtained or expected by the entity to be strictly economic. Liability exists not only when the unlawful act leads to a financial gain but also in situations where the offence is committed in the company’s interest, even if no tangible result is achieved. Improvements in the entity’s market position, the concealment of a financial crisis, or the conquest of a new geographical area are all results that involve the company’s interests, even if they do not yield an immediate economic benefit.

### 1.5 Applicable sanctions for the entity

The sanctions provided for by Leg. Dec. 231/2001, applicable to Entities as a result of the commission or attempted commission of the aforementioned offences, include:

- **Fines** ranging from a minimum of € 25,822.84 to a maximum of € 1,549,370.69 (with preventive seizure as a precautionary measure);
- **Disqualification** (which may also be applied as a precautionary measure) lasting no less than



three months and no more than two years, which can include:

- Disqualification from operating the business;
- Suspension or revocation of authorisations, licences or permits instrumental to the commission of the offence;
- Prohibition from contracting with the Public Administration;
- Exclusion from benefits, financing, grants or subsidies, and potential revocation of those already granted;
- Prohibition from advertising goods or services;
- **Confiscation of the proceeds or profits<sup>1</sup>** of the offence (with preventive seizure as a precautionary measure);
- **publication of the judgement** (in cases where a disqualification sanction is applied).

Disqualification sanctions apply only to the Offences for which they are specifically provided and provided that at least one of the following conditions is met:

- The entity has derived significant profit from the commission of the Offence, and the Offence was committed by individuals in a senior position or by subordinates where, in the latter case, the commission of the Offence was caused or facilitated by serious organisational deficiencies;
- in the case of repeat offences.

Notwithstanding the application of financial penalties, disqualification sanctions do not apply if, before the declaration of the commencement of the first instance trial, the following conditions are met:

- a) The Entity has fully compensated the damage and has eliminated the harmful or dangerous consequences of the offence, or has otherwise effectively taken steps to do so;
- b) The Entity has eliminated the organisational deficiencies that led to the Offence by adopting and implementing organisational models capable of preventing Offences of the type that occurred;
- c) The Entity has made available the profit obtained for the purpose of confiscation.

The Decree also provides that in the most serious cases, the Judge may order permanent disqualification from operating the business if the entity has derived significant profit from the Offence and has already been sentenced at least three times in the last seven years to temporary disqualification from operating the business.

The Judge may also permanently prohibit the Entity from contracting with the Public Administration or from advertising goods or services if the Entity has been sentenced to the same sanction at least

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<sup>1</sup>The profit of the offence, which may be confiscated under Leg. Dec. 231/2001, has been defined by the United Sections of the Court of Cassation (see Cass. Pen., SS.UU., 27 March 2008, no. 26654) as the economic advantage derived directly and immediately as a result of the offence. This is determined net of any actual benefit gained by the injured party within the context of any contractual relationship with the entity. The United Sections further clarified that this definition excludes any business-related criteria, meaning that the profit cannot be identified as the net profit obtained by the entity.



three times in the last seven years.

If the Entity or one of its organisational units is permanently used for the sole or primary purpose of enabling or facilitating the commission of Offences for which it is liable, permanent disqualification from operating the business will always be imposed.

The administrative sanctions against the entity are subject to a statute of limitations of five years from the date of the offence.

Final judicial measures applying the administrative sanctions to entities as set out in the Decree are recorded in the national register of administrative sanctions resulting from offences (Art. 9, Presidential Decree No. 313, 14 November 2002).

In cases of attempted offences listed in Chapter I of Leg. Dec. 231/2001 (Articles 24 to 25-*undecies*), the financial penalties (in terms of the amount) and the disqualification sanctions (in terms of the duration) are reduced by one-third to one-half, while no sanctions are applied if the Entity voluntarily prevents the completion of the act or the occurrence of the event.

### 1.6 Exemption from liability: The Organisation, Management and Control Model

Leg. Dec. 231/2001 explicitly provides, in Articles 6 and 7, **for exemption from administrative liability if the entity has adopted and effectively implemented organisational and management models suitable for preventing Offences of the kind that occurred**. Adequate organisation is therefore the only means by which the Entity can avoid being found “at fault”, and thus prevent the application of sanctions.

Specifically, **liability is excluded if the entity can prove that:**

- a) the governing body adopted and effectively implemented, prior to the commission of the Offence, organisational and management models capable of preventing Offences of the kind that occurred;
- b) the task of overseeing the effectiveness of, and compliance with the models, as well as ensuring their updating, has been assigned to a body within the entity, which is endowed with independent decision-making and oversight;
- c) the individuals committed the Offence by fraudulently circumventing the organisational and management models;
- d) there was no omission or insufficient supervision by the body referred to in point b).

The adoption of a Model specifically tailored to the risks faced by the Entity, aimed at preventing the commission of certain Offences through the establishment of behavioural rules, thus constitutes the measure of diligence defined by the legislator. It represents, given its preventive function, the primary tool for risk control within the system.

However, the mere adoption of the Model by the *governing body* – which is identified as the management body, typically the Board of Directors – is not sufficient to exempt the Entity from liability. The Model must also be *efficient* and *effective*.

Regarding the efficacy of the model, Article 6, paragraph 2, of Leg. Dec. 231/2001, establishes that



the **Model must meet the following requirements:**

- a) identify the activities in which Offences may be committed (so-called “risk mapping”);
- b) provide specific protocols to program the formulation and implementation of decisions by the entity in relation to the Offences to be prevented;
- c) identify appropriate methods for managing financial resources to prevent the commission of Offences;
- d) establish obligations for information-reporting to the body responsible for monitoring the effectiveness of, and compliance with the models;
- e) introduce a disciplinary system capable of sanctioning any failure to comply with the measures set out in the Model.

Moreover, the Model must provide, based on the nature and size of the organisation, as well as the type of business operations, suitable measures to ensure that operations are conducted in compliance with the law and that risks are promptly identified and eliminated (Article 7, paragraph 3, of the Decree).

The Model's effectiveness is tied to its **efficient implementation**, which, under Article 7, paragraph 4, of Leg. Dec. 231/2001, requires:

- a) regular verification and, where necessary, modification of the Model when significant violations of the requirements are detected or when changes occur in the organisation or its activities (updating of the Model);
- b) a disciplinary system capable of sanctioning any failure to comply with the measures set out in the Model.

It should be noted that adopting an Organisation, Management and Control Model is not mandatory for Entities but is an option enabling them to benefit from exemption from liability, as well as other advantages, such as reduced penalties.

### **1.7 Exemption from administrative liability in occupational health and safety**

With the introduction of negligent Offences within the scope of the Decree, through Law 123/2007 (which introduced Article 25-*septies* into the Decree, providing for administrative liability for the offences of manslaughter and grievous or very grievous bodily harm committed in violation of occupational health and safety regulations), the exemption criterion referred to in point c) – i.e. demonstrating that the Offence was committed through the fraudulent circumvention of the controls put in place by the Entity within its organisation – cannot apply due to the lack of intentionality in the harmful event (death or serious or very serious injury). In such cases, **the entity must demonstrate that the negligent violation committed by its representative occurred despite the implementation of an effective system for monitoring the application of general and specific rules** aimed at avoiding the risk of such events.

The essential and unifying element of the various and possible forms of liability concerning health and safety, including for the purposes of the application of Article 25-*septies* of Leg. Dec. 231/2001,



is the failure to adopt all technically possible and practically feasible safety and prevention measures within the Entity, based on experience and the latest technical and scientific knowledge. The safety obligations of Entities must be considered not only in their static component (the adoption of prevention and safety measures) but also in their dynamic component, which includes the obligation to inform and train workers about the risks inherent in their work activities and the appropriate measures to avoid or minimise those risks. Article 30 of Leg. Dec. 81/2008, which expressly refers to Leg. Dec. 231/2001, provides for the exclusion of administrative liability for an entity that has adopted and effectively implemented a Model that ensures a company system aimed at fulfilling all legal obligations relating to:

- compliance with the technical-structural standards set by law regarding equipment, plants, workplaces and chemical, physical and biological agents;
- risk assessment activities and the implementation of prevention and protection measures;
- organisational activities, such as emergency management, first aid, management of contractors, regular safety meetings and consultations with workers' safety representatives;
- health surveillance activities;
- information and training activities for workers;
- monitoring activities to ensure compliance with safety procedures and work instructions by workers;
- acquisition of mandatory legal documentation and certifications;
- periodic verification of the implementation and effectiveness of the procedures adopted.

For all the activities listed above, the Model must provide appropriate systems for recording their implementation. Additionally, considering the nature and size of the organisation and the type of activities carried out, there must be a departmental structure that ensures the technical skills and powers necessary for the assessment, management and control of risks, also with a view to constant updating to maintain the adequacy of the measures over time. Finally, the aforementioned regulation requires that the Model include an adequate system for monitoring its implementation, as well as a disciplinary system capable of sanctioning any failure to comply with the measures outlined therein. The Model must be reviewed and potentially modified whenever significant violations of the rules on accident prevention and workplace hygiene are encountered, or when changes occur in the organisation or its activities due to scientific and technological progress. Paragraph 5 of Article 30 of Leg. Dec. 81/2008 provides that, in their initial application, organisational models developed in compliance with the UNI-INAIL Guidelines for a health and safety management system (SGSSL) of 28 September 2001, or the British Standard OHSAS 18001:2007, are presumed to meet the aforementioned requirements.

### **1.8 Changes to the entity**

The Decree regulates the entity's liability regime in the case of changes, such as **transformations, mergers, demergers** or **transfers of the business**.



The basic principle, which also underpins the entire concept of the entity's liability, is that the obligation to pay the financial penalty imposed on the entity is the responsibility of the entity itself, using its assets or common fund. Therefore, the law excludes any direct financial liability of shareholders or associates, regardless of the entity's legal nature.

As a general rule, the legislator has decided to apply the principles of civil law – regarding the responsibility of a transformed entity for the debts of the original entity – to **financial penalties** imposed on the entity. Correspondingly, for **disqualification sanctions**, these have been established as remaining the responsibility of the entity that retains (or into which has merged) the business unit where the offence was committed.

In the case of a **transformed entity**, the responsibility for offences committed before the date on which the transformation takes effect remains unchanged. The new entity will therefore be subject to the sanctions applicable to the original entity for offences committed before the transformation.

In the event of a **merger**, the entity resulting from the merger, including by incorporation, is liable for the offences for which the entities participating in the merger were responsible. If the merger occurs before the conclusion of the proceedings to ascertain the entity's liability, the court must consider the financial situation of the original entity rather than that of the entity resulting from the merger.

In the case of a partial **demerger**, the liability of the demerged entity for offences committed prior to the demerger remains unaffected. However, the entities benefiting from the demerger, whether partial or total, are jointly liable for the payment of financial penalties owed by the demerged entity for offences committed before the demerger. This obligation is limited to the value of the transferred assets.

In the event of the **transfer** or **contribution of the business** within which the offence was committed, without prejudice to the right of prior recourse against the transferring entity, the transferee is jointly liable with the transferring entity for the payment of the financial penalty, up to the value of the transferred business and within the limits of the financial penalties reflected in the mandatory accounting records, or of which the transferee was nonetheless aware. In any case, the disqualification sanctions apply to the entities that have retained the business unit – or to which it has been transferred, even in part – within which the offence was committed.





## 2. CONTENTS OF THE T.ME. S.P.A. MODEL

### 2.1 The Company

T.ME., a wholly owned subsidiary of Termomeccanica S.p.A. (hereinafter referred to as "Termomeccanica" or the "Parent Company"), operates under the management and coordination of the latter. It is active in the design, project management, supply, construction, commissioning and servicing of turnkey plants, or parts thereof, for the treatment of urban and industrial waste and the production of energy (waste-to-energy plants, anaerobic digestion plants and renewable energy plants), for the treatment of water, catering to both civil and industrial sectors (water purification, desalination and wastewater treatment plants), for the production and/or treatment of chemical compounds in the industrial sector, and for the treatment of effluents from industrial and civil processes.

### 2.2 The development of the Model

In compliance with the provisions of the Decree and to ensure the highest standards of fairness, transparency and legality in conducting its business operations, the Company approved its Organisational, Management and Control Model by a resolution of the Board of Directors on 29 April 2005, subsequently updated by resolutions on 20 July 2018 and 18 July 2024 (the current version).

In accordance with legislative provisions (Art. 6, paragraph 3, of Leg. Dec. 231/2001), organisational and management models may be adopted based on codes of conduct drawn up by representative associations of the Entities, which are notified to the Ministry of Justice.

#### **T.ME. adheres to the updated Guidelines issued by Confindustria.**

The Model has therefore been developed in line with the instructions set out in Confindustria's Guidelines, taking into account the specific structure and operations effectively carried out by the Company, as well as the nature and scale of its organisation. The Company conducted a preliminary analysis of its corporate environment, followed by a review of the types of operations presenting potential risk profiles in relation to the offences listed in the Decree. In particular, the analysis covered: the Company's history, corporate context, reference market, organisational structure, the existing Corporate Governance system, powers of attorney and delegation system, existing legal relationships with third parties (including service agreements regulating intra-group relations), the Company's operational framework, and the formalised practices and procedures widely used within the Company to perform its operations.

For the drafting of this Model, the Company also conducted the following activities:

- Identification of **Sensitive Activities**: through a review of the Company's operations via interviews with the heads of business departments, an analysis of the organisational charts



and the allocation of responsibilities, a list was compiled of the areas where the offences listed in the Decree might be committed;

- identification of existing **oversight procedures**: through interviews with the heads of business departments, supplemented by self-assessment questionnaires, the existing oversight procedures in the previously identified sensitive areas were identified;
- identification of **principles and prevention rules**: considering the results of the first two steps, the principles and prevention rules to be implemented in order to reasonably prevent the commission of offences relevant to the Company, were determined. To this end, the Company considered the existing oversight and prevention tools, aimed at regulating corporate governance, such as the Articles of Association, the powers of attorney and delegations system, as well as the operational procedures drawn up by the individual business departments.

The results of the analysis described above, including the observations that enabled the Company to identify specific protocols for specific risk areas, form the basis and an integral part of this Model. Furthermore, with regard to the potential commission of manslaughter, or grievous or very grievous bodily harm inflicted in violation of occupational health and safety regulations (Art. 25-*septies* of the Decree), the Company analysed its corporate environment and all specific operations carried out therein, and assessed the related risks, based on the checks carried out in compliance with the current Consolidated Occupational Health and Safety Act (Leg. Dec. 81/2008).

### 2.3 Purpose of the Model

By adopting this Model, T.M.E. aims to achieve the following main objectives:

- establish a structured and comprehensive system of prevention and control

aimed at reducing the risk of committing offences that could

be linked to the Company's operations;

- reiterate that the Company strictly condemns any unlawful conduct, even if motivated by a misguided belief of serving corporate interests, and even if T.M.E. might appear not to benefit from it;
- ensure that all individuals acting in the name of and on behalf of T.M.E., particularly in areas identified as “at risk” for committing the offences pursuant to the Decree, are aware of their duty to comply with the provisions contained herein, as well as with corporate regulations in general;
- inform recipients that any violation of the Model’s provisions constitutes a punishable offence, and that if any of the offences pursuant to the Decree are committed, in addition to the personal criminal sanctions applicable to the individual, the Company may also face administrative liability, resulting in the application of corresponding sanctions;



- enable the Company, through strict monitoring and oversight of the at-risk areas and sensitive activities in terms of the potential commission of the offences pursuant to the Decree, and also through the implementation of specific tools, to take timely action to prevent or combat the commission of such offences.

## **2.4 Code of Ethics**

T.M.E. also approved its own Code of Ethics by a resolution of the Board of Directors on 29 April 2005, which was subsequently updated by resolutions on 20 July 2018 and 18 July 2024 (current version).

The rules set out in the Model supplement those in the Code of Ethics, although the former, in line with the objectives sought in accordance with the provisions of the Decree, pursues a different aim than the latter. Specifically:

- the Code of Ethics is an independently adopted tool, applicable at a general level by the Company, for the purpose of expressing the "business ethics" recognised by T.M.E. as its own, and which it expects all recipients to observe;
- the Model complies with specific requirements set out in the Decree, aimed at preventing the commission of offences that could lead to the Company's administrative liability.

The Model assumes compliance with the provisions of the Code of Ethics, together forming a body of internal rules intended to promote a culture of corporate ethics and transparency.

The Code of Ethics, which is fully referenced herein.

## **2.5 Amendments and updates to the Model**

The Model must always be promptly amended or supplemented by resolution of the Board of Directors, including on the recommendation of the Supervisory Body, when:

- violations or circumventions of the provisions contained therein have occurred, demonstrating its ineffectiveness or inconsistency for the purpose of preventing offences;
- significant changes have taken place within the regulatory framework, particularly in cases of changes to the organisational structure or business operations, as well as to the prevailing legislation

If changes to the Model are required of a purely formal nature, such as clarifications or textual amendments, the Chairperson of the Company, after consulting the Supervisory Body, may proceed independently. Such changes are subsequently communicated to the Board of Directors and the Board of Statutory Auditors

The Supervisory Body must promptly notify the Chairperson of the Board of Directors in writing of any events indicating the need to amend or update the Model. In such cases, the Chairperson must convene the Board of Directors to adopt the relevant resolutions.

Amendments to company procedures necessary for implementing the Model are made by the



relevant departments. The Supervisory Body is continuously informed about any updates and implementation of new operational procedures and may express an opinion on the proposed amendments.

## 2.6 Relevant offences for T.ME.

Based on the analysis conducted by the Company for the drafting of this Model, only the following categories of offences are considered relevant:

- Offences against the Public Administration (Articles 24 and 25);
- Computer crimes and unlawful data processing (Art. 24-*bis*);
- Organised crime offences (Art. 24-*ter*)
- counterfeiting of currency, public credit cards, revenue stamps, and identification instruments or marks (Art. 25-*bis*);
- Crimes against industry and commerce (Art 25-*bis* 1);
- Corporate offences (Art. 25-*ter*);
- Crimes with the purpose of terrorism or subversion of the democratic order (Art. 25-*quater*);
- Crimes against the individual personality (Art. 25-*quinquies*);
- Manslaughter and grievous or very grievous bodily harm, committed in violation of occupational health and safety regulations (Art. 25-*septies*);
- Receiving, laundering and use of money, goods or other assets of illicit origin, including self-laundering (Art. 25-*octies*);
- Crimes related to means of payment other than cash and fraudulent transfer of assets (Art. 25-*octies* 1);
- Copyright infringement crimes (Art. 25-*novies*);
- Inducement to withhold statements or make false statements to judicial authorities (Art. 25-*undecies*);
- Environmental offences (Art. 25-*undecies* of the Decree);
- Employment of third-country nationals whose stay is irregular (Art. 25-*duodecies*);
- Racism and xenophobia (Art.25-*terdecies*);
- Tax offences (Art. 25-*quinquiesdecies*);
- Transnational offences (Art. 10 Law 146/2006);
- smuggling and customs violations (Art. 25-*sexiesdecies*);
- Crimes against Cultural Heritage (Art. 25-*septiesdecies*);
- Laundering of cultural assets and devastation and looting of cultural and landscape assets (Art. 25-*duodevicies*).

Given the Company's operations, **no risk profiles have been identified** concerning the commission



of offences pursuant to

- Art. 25-*quater* 1 (Practices of female genital mutilation);
- Art. 25-*sexies* (Market abuse);
- Art. 25-*quaterdecies* (Sports fraud).

as well as other types of offences not expressly mentioned above.

The Company undertakes to **continually assess** the relevance of any additional current and future offences, for the purposes of alignment with this Model.

## 2.7 Recipients of the Model

The rules set out in the Model apply to the following Recipients:

- all members of corporate bodies (Board of Directors and Board of Statutory Auditors);
- executives (those classified as such according to the applicable National Collective Labour Agreement);
- employees and agency workers (i.e., workers under an employment contract, including fixed-term contracts);
- Third Parties.

Third Parties must be bound to comply with the provisions set out in Leg. Dec. 231/2001 and the ethical and behavioural principles adopted by T.M.E. through the Code of Ethics, by signing specific contractual clauses. The latter enable the Company, in the event of non-compliance, to unilaterally terminate the contracts and claim compensation for any damages suffered (including the possible imposition of sanctions under the Decree).

The Company may also evaluate, on a case-by-case basis, whether to bind Additional Parties not only to compliance with the provisions set out in Leg. Dec. 231/2001 and the ethical and behavioural principles adopted by T.M.E. through the Code of Ethics, but also to its Model. This is achieved by signing specific contractual clauses enabling the Company, in the event of non-compliance, to unilaterally terminate the contracts and claim compensation for any damages suffered (including the possible imposition of sanctions under the Decree).



### 3. SUPERVISORY BODY

#### 3.1 Characteristics of the Supervisory Body

Exemption from administrative liability – as regulated by Art. 6, para. 1, Leg. Dec. 231/2001 – also requires the mandatory establishment of an internal Supervisory Body within the Entity, endowed with both independent oversight (allowing continuous monitoring of the effectiveness of, and compliance with the Model, and to oversee its updating) and independent decision-making, ensuring the Model is updated in order to guarantee its effective and efficient implementation.

The requirement for **independent decision-making and oversight** vested in the Supervisory Body is considered satisfied if:

- the Supervisory Body (SB) is guaranteed hierarchical independence from all corporate bodies which it is called to oversee, reporting directly to the Board of Directors;
- its members must not be directly involved in any managerial activities subject to its own oversight;
- it is granted financial autonomy.

In addition to the independent authority required by the relevant Decree, the Company has also aligned itself with the Confindustria Guidelines and the rulings of the courts on this matter, highlighting the additional need for professionalism and continuity of action.

With regard to the requirement of **professionalism**, the SB must be able to fulfil its inspection duties concerning the effective implementation of the Model, while also having the necessary skills to ensure the Model's reactivity, recommending updates to the company's senior management.

With regard to the requirement for **continuity of action**, the SB must ensure constant monitoring and updating of the Model, adapting it as the company's circumstances change, and act as a continuous point of reference for the Recipients of the Model.

#### 3.2 Duties

The Supervisory Body is tasked with constantly overseeing:

- compliance with the Model by the corporate bodies, employees and consultants of the Company;
- the effectiveness of the Model in relation to its actual ability to prevent the commission of the offences outlined in the Decree;
- the practical implementation of the Model's provisions in the context of the Company's operations;
- the updating of the Model, should the need for adjustments arise due to changes in the business structure, organisation or the applicable regulatory framework.



### 3.3 Appointment

Given the organisational structure of the Company, it has opted for a multi-member Supervisory Body, which will rely on the operational support of staff from the Central Entities and the Secretariat to fulfil its functions. To this end, by a resolution of the Board of Directors on 26 July 2004, the Company established a collegial Supervisory Body, which shall rely on the operational support of staff from the Central Entities and the Secretariat to fulfil its duties.

The Company's Supervisory Body satisfies the following requirements:

- *autonomy and independence*: the SB is not vested with any operational tasks and its independence in decision-making and oversight is safeguarded against interference and/or influence from any members of the Company, by reporting directly to T.ME.;
- *professionalism*: the SB possesses the necessary professional expertise to perform the tasks assigned to it. Moreover, in order to supplement its skills, the Supervisory Body may consult third-party experts on matters of corporate organisation, finance, risk assessment and specialist areas related to the Offences potentially applicable to the Company;
- *continuity of action*: to ensure the effective implementation of the Model, its ongoing monitoring and updating in response to changes in the Company's circumstances, the SB is provided with resources and a suitable budget with which to fulfil its tasks;
- *integrity*: members must be free from conflicts of interest, incompatible roles and family relationships with senior management; the Supervisory Body meets subjective criteria that ensures the required autonomy and independence, including integrity and the absence of conflicts of interest, under the same terms provided by the Italian Civil Code with reference to directors and members of the Board of Statutory Auditors.

### 3.4 Eligibility requirements

The Supervisory Body must possess the necessary professionalism, integrity, independence, operational autonomy and continuity of action, as well as the competence required to fulfil the tasks assigned under the Decree.

The following constitute grounds for ineligibility or removal from the role of SB member:

- a conviction resulting in disqualification, even temporarily, from public office, or the inability to hold managerial positions within legal entities;
- a conviction for one of the offences set out in the Decree;
- the existence of family relationships, marriage or kinship up to the fourth degree with members of the Company's Board of Directors or Board of Statutory Auditors, as well as with the same members of the parent companies, subsidiaries and/or companies under common control, and/or with external auditing parties.

Members of the SB who are not employees of the Company must be independent, meaning they:



- must not have a financial relationship with the Company that could reasonably compromise their independence;
- must not maintain, or have maintained, even indirectly, any relationship with the Company or related entities that could affect their impartiality;
- if they are directors of the Company, they must comply with the requirements outlined above.

### **3.5 Removal, disqualification and resignation**

A member of the SB can only be removed through a resolution by the Board of Directors and solely for just cause.

Grounds for just cause include:

- loss of the eligibility requirements mentioned above;
- failure to fulfil the duties of the assigned role;
- lack of good faith and diligence in the execution of the role;
- failure to collaborate with other members of the SB;
- unjustified absence from more than two meetings of the SB.

In cases of just cause, the Board of Directors shall revoke the appointment of the unfit member of the SB, providing suitable justification, and proceed immediately with their replacement.

In addition to the loss of eligibility requirements, the following are grounds for disqualification from office:

- resignation;
- death or the subsequent incapacity or inability to perform the role.

Each member of the Supervisory Body may resign from their role at any time by providing at least two months' written and justified notice to the Board of Directors.

The Chairperson of the Supervisory Body must promptly notify the Board of Directors should any circumstances arise creating the need to replace a member of the Body.

If any of its members are disqualified, resign or are unable to fulfil their duties, the Board of Directors shall promptly replace the unfit member.

### **3.6 Duties and powers of the Supervisory Body**

In accordance with Article 6 of the Decree, the Supervisory Body is tasked with monitoring the effectiveness of, and compliance with the Model, as well as ensuring its ongoing updates.

The activities carried out by the Supervisory Body cannot be reviewed or challenged by any other corporate body or structure, although the Board of Directors must still oversee the adequacy of the SB's actions, as the ultimate responsibility for the Model's functionality and effectiveness lies with the Board.





Specifically, the duties of the Supervisory Body include:

- verification and monitoring of the Model, specifically:
  - ✓ assessing the adequacy of the Model, meaning its continued suitability in preventing illegal conduct and the occurrence of such behaviour, promoting all necessary actions to ensure that the Model remains effective in preventing the offences it addresses. This task includes the responsibility to directly submit proposals for adjustments to the relevant corporate structures and, in particularly important or urgent cases, to the company's top management, as well as subsequently verify the implementation and effectiveness of the proposed solutions
  - ✓ assessing the effectiveness of the Model, that is, ensuring that actual behaviour aligns with what is formally prescribed by the Model;
- to this end, monitoring company operations and corporate structures deemed at risk of offences, including compliance with occupational health and safety regulations, conducting periodic checks and follow-ups to ensure that operations are carried out in accordance with the Model;
- updating the Model, proposing any necessary amendments to the Board of Directors or relevant company departments as required, in order to improve its adequacy and effectiveness, also in light of new regulatory developments and/or changes in the organisational structure or company operations, especially with regard to scientific and technological progress, and/or significant violations of the Model; collaboration with the Company in providing information and training concerning the Model, specifically:
  - ✓ monitoring initiatives aimed at promoting the Model among all Recipients and encouraging its adoption where such efforts are lacking and/or insufficient;
  - ✓ monitoring initiatives, including training courses and communications, to ensure adequate knowledge of the Model among all Recipients, promoting its adoption where such efforts are lacking and/or insufficient;
  - ✓ responding promptly, including by expressing specific opinions, to requests for clarification and/or consultancy from company departments, resources, or from administrative and oversight bodies, provided they are related to the Model;
- managing information flows to and from the SB, specifically:
  - ✓ verifying that all stakeholders fulfil their reporting obligations concerning compliance with the Model;
  - ✓ reviewing and assessing all information and/or reports received regarding compliance with the Model;
  - ✓ informing the relevant bodies, as specified below, about the activities undertaken, results achieved and planned actions;
  - ✓ reporting any violations of the Model and the responsible parties to the appropriate



bodies to ensure the necessary action is taken, making sure suitable sanctions are imposed based on the specific case;

- ✓ providing necessary informative support to auditing bodies in the event of audits by institutional entities, including public authorities.
- ✓ defining, in implementing the Model, an effective information flow allowing the Supervisory Body to be periodically updated by relevant company departments on operations deemed to be at risk of offences, as well as defining suitable communication methods to ensure timely awareness of any potential violations of the Model and its procedures;

The Supervisory Body performs its functions in coordination with other existing oversight bodies or departments within the Company.

In particular:

- it coordinates with the relevant company department on the training of Recipients;
- it coordinates with the relative department managers affected by the contract or relationship, to incorporate contractual clauses regulating the application of the Model to third-party Recipients;
- it collaborates with the company departments involved in at-risk operations for all aspects regarding the implementation of operational procedures under the Model and, in particular, with regard to occupational health and safety, the SB utilises all resources activated by the Company to manage these aspects.

To fulfil its duties, the SB:

- is granted broad auditing powers and access to corporate documents;
- has suitable financial and professional resources at its disposal, which are allocated annually by the Board of Directors and can be adjusted or supplemented upon recommendation;
- may seek the advice of third parties with the necessary expertise.

The Supervisory Body, in pursuing its role of monitoring the effective implementation of the Model adopted by the Company, is endowed with the following powers and responsibilities, which it exercises in accordance with legal regulations, as well as the individual rights of workers and interested parties:

- a) conduct or arrange for the conduct of periodic audits, under its direct supervision and responsibility;
- b) access all information related to the Company's Sensitive Activities, as detailed in the Special Section of the Model;
- c) request information or the presentation of documents regarding Sensitive Activities from all Company employees, and, where necessary, from directors, the board of statutory auditors,



- the auditing firm and appointed individuals in compliance with occupational health and safety regulations;
- d) request information or the presentation of documents related to Sensitive Activities from employees/collaborators, consultants and external representatives of the Company, and generally from all recipients of the Model, identified in section 2.7 above, provided that the obligation to comply with the SB's requests is expressly stipulated in the contracts or mandates binding the external party to the Company;
  - e) receive regular reports from those responsible for departments affected by at-risk operations, as outlined in the Special Section of this Model;
  - f) benefit from the assistance and support of the Company's employees; in particular, with regard to safety, it may rely on an expert to prevent the occurrence of manslaughter and grievous or very grievous bodily harm;
  - g) engage external consultants for particularly complex issues or those requiring specific expertise;
  - h) recommend to the body or department responsible for disciplinary action the imposition of the sanctions outlined in section 5.2;
  - i) have the Model periodically reviewed and, if necessary, propose modifications or updates to the Board of Directors;
  - j) coordinate, in collaboration with the relevant company department, the development of employee training programs;
  - k) periodically prepare a written report to the Board of Directors, and in any case at least *annually*, containing the minimum content specified in section 3.8;
  - l) inform the Chairperson of the Board of Directors of any urgent and significant matters that arise in the course of its activities;
  - m) periodically monitor the identification and updating, in consultation with the relevant department heads, of the types of legal relationships with external parties to which the Model applies, as well as the methods of communicating the Model to such parties and the necessary procedures to ensure compliance with its provisions.

The Supervisory Body is responsible for collecting received reports, sent reports, and the results of investigations and audits in a dedicated file; it is also responsible for updating and defining, through its own directives, the criteria to access the file, the relative methods and authorised individuals.

All company departments must cooperate with the SB to ensure that it can effectively fulfil its duties.

### **3.7 Supervisory Body Regulations**

Once appointed, the Supervisory Body shall draft its own internal regulations to govern the practical aspects and methods of carrying out its activities.

Specifically, the internal regulations shall cover, among other things, the following areas:



- a) the types of monitoring and supervision activities carried out by the SB;
- b) the types of activities involved in updating the Model;
- c) activities related to the supervision and monitoring of information and training provided to the Model's Recipients;
- d) managing information flows to and from the SB;
- e) the effectiveness of the SB.

The SB shall prepare specific minutes for its activities.

### 3.8 Information flows to and from the Supervisory Body

The Supervisory Body reports exclusively to the Board of Directors. However, it may directly inform the Chairperson of the Board of Directors of any significant matters related to its role or any urgent issues regarding the Model that emerge during its monitoring activities.

The obligation to establish a structured information flow is designed as a tool to ensure monitoring of the Model's efficiency and functionality, as well as for the potential retrospective investigation of the causes that may have allowed the occurrence of the offences outlined in the Decree. The Supervisory Body is required to prepare, at least annually, a written report to the Board of Directors, which must include, as a minimum, the following information:

- a summary of the activities and checks carried out by the Supervisory Body during the year;
- any issues that have arisen regarding the operational procedures for implementing the provisions of the Model;
- any new activities that could potentially lead to the commission of one of the offences outlined in the Decree;
- a summary of the reports received from internal and external parties regarding alleged violations of the Model and the outcome of investigations into such reports;
- disciplinary procedures and any sanctions imposed by the Company, specifically in relation to at-risk activities;
- an overall assessment of the effectiveness and efficacy of the Model, with any proposals for additions, corrections or amendments in form or content;
- any changes in the regulatory framework requiring the Model to be updated;
- a report of the expenses incurred.

All **members of the Company's governing bodies** undertake to cooperate with the Supervisory Body, in accordance with the aims of this Model, reporting any events that constitute or may constitute a violation of the Model or the procedures established for its implementation, as outlined in this document, in section 3.9.

All **Recipients** of the Model must communicate directly with the Supervisory Body to send periodic information flows and/or request any clarifications regarding the Model, either through confidential internal mail or via the dedicated email address. Specifically, the two communication channels are:



- [ODV-TME@TERMOMECCANICA.COM](mailto:ODV-TME@TERMOMECCANICA.COM)

or addressed by ordinary mail to:

- Strictly reserved for the T.ME. Supervisory Body. S.p.a., in Via del Molo 1/B - 19126 La Spezia.

In any case, the **managers of departments affected by at-risk activities** must notify the Supervisory Body of any useful information that facilitates monitoring of the proper implementation of the Model. Specifically, they are required to report periodically, or at least once a year, to the Supervisory Body on the status of the implementation of the risk prevention protocols within their area of responsibility, as well as provide a justified indication of any need for amendments to the prevention protocols.

Collaborators and all **external parties** to the Company to whom, as stated in section 2.7 above, the Model applies, are required, within the scope of the activity carried out on behalf of, or in the interest of the Company, to report violations of the Model or the procedures established for its implementation, as outlined in this document, section 3.8.

The Supervisory Body must be immediately informed by the relevant bodies or departments of: any **disciplinary proceedings** initiated for violations of the Model; any decisions to dismiss such proceedings and the reasons for doing so; the imposition of any sanctions for violations of the Model or the procedures established for their implementation.

The Board of Directors has the authority to summon the SB at any time to be informed of its activities.

### 3.8 Whistleblowing

Pursuant to Article 6, paragraph 2-bis of Leg. Dec. No. 231/2001<sup>2</sup>, the Company has set up communication channels to combat violations that harm the public interest and the entity's integrity, allowing both internal and external parties to submit reports<sup>3</sup> on unlawful conduct as set out in the Decree, and/or conduct in violation of the rules and principles set out in the Model, its related procedures, and the Code of Ethics, which they become aware of in the course of their work (so-called Whistleblowing).

Additionally, since the Company has reached an average of at least fifty employees with permanent or fixed-term<sup>4</sup> employment contracts in the last year, the aforementioned internal communication channels may also be used to report information regarding behaviour, acts or omissions related to EU or national law in specific sectors, as per Article 2, paragraph 1, letter a), numbers 3), 4), 5), and 6) of Leg. Dec. No. 24, 10 March 2023.

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<sup>2</sup> As reformulated by Art. 24 of Leg. Dec. No. 24, of 10 March 2023 (also referred to as "Whistleblowing Legislation").

<sup>3</sup> Disclosure of information, including well-founded suspicions, regarding violations committed or likely to be committed based on tangible elements, as well as information on conduct aimed at concealing such violations.

<sup>4</sup> In such cases, provided the legal requirements are met, external reports can also be made to Anac, public disclosures, or reports to judicial or accounting authorities.



The Company has adopted a specific policy on “reporting unlawful and irregular conduct”, available at the following link <https://tme-termomeccanica.segnalazioni.net/>, aimed at regulating the use and operation of internal communication channels, as well as the process for managing reports of facts or acts related to relevant unlawful conduct that may, ultimately, pose a threat to the Company itself. These reports can be made by employees, temporary staff, collaborators, suppliers/partners/consultants and stakeholders in general. The policy also guarantees the confidentiality of the Whistleblower's identity and prohibits any retaliatory actions, whether direct or indirect, against the Whistleblower for reasons connected, directly or indirectly, to the report itself.

For matters not covered in this Model, please refer to the aforementioned policy.

In accordance with the applicable legislation (Art. 6, paragraph 2-bis of Leg. Dec. 231/01 and Art. 4 of Leg. Dec. 24/2023), the Whistleblower may submit their report through the following channels:

- **Ordinary mail or registered post**<sup>5</sup>, to the address: Via del Molo 1/B - 19126 La Spezia, for the attention of the Whistleblowing Manager (identified in the Supervisory Body);
- **via electronic means**, through the dedicated platform, which can be accessed at the following link: <HTTPS://TME-TERMOMECCANICA.SEGNALAZIONI.NET/>
- **orally**, via the voice messaging system available on the dedicated electronic platform, as well as – upon the Whistleblower's request submitted through the aforementioned channels – through a direct meeting with the Company's Whistleblowing Manager.

The recipient of reports is the Whistleblowing Manager of T.M.E. S.p.A., identified in the Supervisory Body.

Moreover, in order to protect the Whistleblower from any form of retaliation, the recipient of the report is obliged to keep the Whistleblower's identity confidential – taking all necessary measures as deemed appropriate – as well as the identities of the reported or mentioned persons therein, along with the content of the report and any related documentation.

The disciplinary system provides for sanctions against those who violate the Whistleblowing regulations, procedures or protection measures.

#### 4. THIRD-PARTY SERVICES

If the Company receives services from parent companies, subsidiaries or external companies that may affect the Sensitive Activities outlined in the Special Section below, each service must be governed by a written contract, which is communicated to the Company's Supervisory Body.

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<sup>5</sup> The ANAC Guidelines suggest that the report be enclosed in two sealed envelopes: the first containing the Whistleblower's identification details, along with a form of identification; and the second containing the subject of the report. Both envelopes should then be placed inside a third envelope, marked “Confidential for the attention of the Corruption Prevention Officer at T.ME.”.



The service contract must include the following clauses:

- the obligation of the company providing the service to the Company to certify the truthfulness and completeness of the documentation produced or the information communicated to the Company for the purposes of carrying out the requested services;
- the obligation of the company providing the service to the Company to comply, during the execution of the requested service, with its own Code of Ethics, as well as its own Model and the procedures established for its implementation. If the company providing the service to the Company does not have its own Organisation, Management and Control Model, or if the services provided fall within Sensitive Activities not covered by its own model, the company providing the service undertakes to adopt adequate and suitable rules and procedures to prevent the commission of offences;
- the power of the Company's Supervisory Body to request information from the Supervisory Body of the company providing the service, or, in the absence of a Supervisory Body, directly from the departments responsible for providing the service, to ensure the correct performance of its supervisory function.

The contract must also provide the Company with the option to apply protective measures (e.g. contract termination, penalties, etc.) in the event the aforementioned points are violated, regardless of how the Company becomes aware of the situation.

## 5. DISCIPLINARY SYSTEM

### 5.1 General principles

For the purposes of assessing the effectiveness and suitability of the Model in preventing the offences set out in Leg. Dec. 231/2001, the Model should identify and penalise behaviour that could facilitate the commission of such offences, by way of example.

This, insofar as Art. 6, paragraph 2, of Leg. Dec. 231/2001, when listing the elements to be included in the models prepared by Entities, expressly provides under letter e) that the Entity is required to *“introduce a disciplinary system suitable for sanctioning non-compliance with the measures outlined in the Model.”*

It should be noted that even if certain behaviour is not expressly listed among those identified below, if it constitutes a violation of the Model, it may still be subject to sanctions.

The disciplinary system of this Model is an independent system of sanctions aimed at reinforcing compliance with and effective implementation of the Model.

The application of the sanctions established by the Model does not replace any other sanctions of a different nature (criminal, administrative, civil or tax) that may result from the same offence.

Any violation of the Model or its implementing procedures, regardless of the perpetrator, must be immediately reported through one of the three channels indicated in section 3.8 of this Model. It



will then be the responsibility of the “Whistleblowing Manager” to promptly inform the Supervisory Body, without prejudice to the procedures and actions within the scope of responsibilities of the person holding disciplinary authority.

The duty to report applies to all Recipients of this Model.

The Supervisory Body, upon receiving the report from the Company's Corruption Prevention Officer, must immediately proceed with the necessary investigations, ensuring the confidentiality of the reported individual. Sanctions for violations of the provisions of this Model are imposed by the corporate bodies or departments authorised to do so, based on the powers and responsibilities granted to them by the Company's Articles of Association or internal regulations. Once the violation has been assessed, the Supervisory Body promptly informs the person holding disciplinary authority, who will initiate the relevant disciplinary proceedings for the purpose of issuing charges and, if applicable, imposing sanctions.

## 5.2 Sanctions and disciplinary measures

The Model constitutes a set of rules that employees must comply with, as provided for by the respective National Collective Labour Agreements (CCNL) regarding behavioural rules and disciplinary sanctions.

Therefore, any violation of the provisions set out in the Model and its implementing procedures shall result in the initiation of disciplinary proceedings and relative sanctions, in accordance with the law and the aforementioned CCNL. For **employees** classified as workers, clerks and middle managers, the disciplinary system is applied in accordance with Art. 7 of Law No. 300 of 20 May 1970 (Workers' Statute) and the applicable CCNL for employees, as well as the terms and methods set out by the Company's regulations for direct employees or, for temporary workers, in accordance with the terms and methods set out by any regulations adopted by the user companies, within the limits applicable to temporary workers.

It should be noted that for non-executive employees, these measures are specifically:

- verbal warning;
- written warning;
- fine not exceeding 4 hours' of hourly pay;
- suspension from work and pay for up to a maximum of 5 days for temporary workers and 10 days for direct employees;
- dismissal with or without notice.

If the violation also constitutes a breach of duties deriving from the law or the employment contract, such as to prevent the continuation of the employment relationship, even temporarily, dismissal without notice may be decided, pursuant to Art. 2119 of the Italian Civil Code, subject to compliance with the disciplinary procedure.

Compliance with the provisions of the Model applies to all types and forms of employment contracts, including those with executives, project-based and part-time contracts. If the violation concerns





**executives**, the disciplinary system is applied in accordance with the law and the applicable CCNL. Upon notice of violation, the revocation of any powers of attorney granted to the person involved may be arranged.

If the violation concerns a **Director** of the Company, the Supervisory Body must immediately inform the Board of Directors and the Board of Statutory Auditors in writing.

Directors who have violated the provisions of the Model or its implementing procedures may be subject to suitable measures permitted by law and applied by the Board of Directors, including the following sanctions, determined according to the seriousness of the act, the degree of fault and the consequences to the Company:

- a) formal written warning;
- b) fine amounting to two to five times their monthly remuneration;
- c) full or partial revocation of any powers of attorney.

If the Director's violation undermines the Company's trust in him/her, the Board of Directors may convene the Shareholders' Meeting, proposing the Director's removal from office.

In the event of a violation by a member of the **Board of Statutory Auditors**, the Supervisory Body must immediately inform the Board of Directors in writing. If the violation constitutes just cause for dismissal, the Board of Directors shall propose to the Shareholders' Meeting the adoption of the necessary measures and take the further steps required by law.

For **external parties or contractual counterparts subject to the Model**, as provided in section 2.7, the Company includes specific clauses in letters of appointment and/or contracts, stipulating the application of sanctions in the event of violations.

If any actions occur that could constitute a violation of the Model by such parties, the Supervisory Body shall inform the Chairperson of the Board of Directors in writing, who will then determine the appropriate means of verifying the violation. For recipients of the Model in this category, the sanctions set out in their respective contracts shall apply, including: (i) payment of the contractually stipulated penalty, where applicable, without prejudice to compensation for any further damage; (ii) termination of the contract pursuant to Art. 1456 of the Italian Civil Code and payment of the contractually stipulated penalty, without prejudice to compensation for any further damage.

As a general and illustrative example, "Violations" of this Model and its internal control measures include:

- actions or behaviour that do not comply with the law or the provisions of the Model and its internal oversight measures, resulting in a situation that poses even the mere risk of commission of the offences contemplated by Leg. Dec. 231/2001;
- the omission of actions or behaviour prescribed in the Model and its internal oversight measures, resulting in a situation that poses even the mere risk of commission of the offences contemplated by Leg. Dec. 231/2001;
- the implementation of actions or behaviour that violate the protective measures for individuals who, in order to safeguard the integrity of the Company, make detailed reports



of unlawful conduct or violations of the Model, pursuant to Leg. Dec. 231/2001, through the channels provided for under Art. 6 of Leg. Dec. 231/2001;

- the submission of detailed reports of unlawful conduct or violations of the Model, pursuant to Leg. Dec. 231/2001, made with intent or gross negligence by the Whistleblower, which are deemed to be unfounded following the necessary verifications and controls;
- the omission of the necessary verifications and oversight required by Leg. Dec. 231/2001 in cases where the individuals identified as recipients of the report receive a detailed report of unlawful conduct or violations of the Model, pursuant to Leg. Dec. 231/2001.

### 5.3 Sanctions for Whistleblowing violations

The disciplinary sanctions set out in the Model also apply to those responsible for unlawful behaviour with regard to Whistleblowing. Specifically, as defined in the ANAC Guidelines:

- I. in cases of failure to establish the reporting channel, failure to adopt procedures, or the adoption of non-compliant procedures, the person responsible is identified in the governing body;
- II. in cases where the received reports have not been verified and analysed, or where the obligation of confidentiality has been breached, the person responsible is the Whistleblowing Manager.

It should be noted that Whistleblowing management falls within the duties of the individual responsible for managing the reports; therefore, any failure to comply shall result in the application of sanctions outlined in the applicable National Collective Labour Agreement. With regard to sanctions applicable to those who take retaliatory actions, it has been clarified that the natural person identified as responsible for the retaliation, shall be the one sanctioned<sup>6</sup>.

In detail, the administrative pecuniary sanctions are as follows:

- ✓ from €10,000 to €50,000 when it is determined that the natural person identified as responsible has committed acts of retaliation;
- ✓ from €10,000 to €50,000 when it is determined that the natural person identified as responsible has obstructed or attempted to obstruct the Whistleblowing process;
- ✓ from €10,000 to €50,000 when it is determined that the natural person identified as responsible has violated the obligation of confidentiality pursuant to Art. 12 of Leg. Dec. No. 24/2023. These sanctions are without prejudice to the penalties applicable by the Data Protection Authority for matters falling under its remit concerning personal data;

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<sup>6</sup> It should be noted that retaliatory action is considered any behaviour, act or omission, even if only attempted or threatened, carried out in response to the report (whether submitted to judicial or accounting authorities, or public disclosure) that causes or may cause, either directly or indirectly, unjust harm to the Whistleblower (or the person who made the report or the public disclosure) and/or to other individuals specifically identified by law.



- ✓ from €10,000 to €50,000 when it is determined that Whistleblowing channels have not been established; in such cases, the governing body is considered responsible, whether in public or private entities;
- ✓ from €10,000 to €50,000 when it is determined that procedures for making and handling reports have not been adopted, or that the adoption of such procedures does not comply with the provisions of the decree; in such cases, the governing body is considered responsible, whether in public or private entities;
- ✓ from €10,000 to €50,000 when it is determined that the received reports have not been verified and analysed; in such cases, the person responsible for managing the reports is considered liable;
- ✓ from €500 to €2,500 when the Whistleblower is found civilly liable for defamation or slander, even in a first-instance judgement, in cases of wilful misconduct or gross negligence, unless they have already been convicted, even in a first-instance judgement, for the offences of defamation or slander or for the same offences committed by making the report to the judicial authorities.

## 6. COMMUNICATION AND TRAINING ON THE MODEL

The Company is committed to ensuring the effective dissemination and understanding of the Model by all employees and individuals with existing or future management, administrative and control roles. The Model is communicated by the HR Department using the most appropriate means, provided they allow confirmation of receipt of the Model by the Company's personnel.

The Supervisory Body, in consultation with the Human Resources Department, determines the methods of communicating the Model to the external parties to whom it applies.

The Company is committed to implementing **training programs** aimed at ensuring a thorough understanding of the Decree, the Code of Ethics and the Model by all employees and members of the Company's governing bodies.

Training is structured according to the role of the participating individuals and their level of involvement in the Sensitive Activities outlined in the Model.

Training initiatives may also be conducted remotely or using digital systems. Staff training on implementation of the Model is managed by the HR Specialist in close cooperation with the Supervisory Body.

The Company adopts appropriate measures to verify effective participation in the training courses. All employees and members of the Company's governing bodies are required to participate in the training on the Decree and the Model.