TGK EUROPE S.r.l.

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

GENERAL PART

Approval:	**20/09/2024**

Date	Rev	Description of changes

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1. FOREWORD

This Organisational, Management and Control Model contains an organic system of principles, values, controls, operating instructions and ethical rules that TGK Europe S.r.l. ("**TGK**" or the "**Company**") considers fundamental and inalienable for the conduct of all company activities, and of which it requires the most careful observance by the members of the corporate bodies and *management*, its employees, as well as all those who operate, even de facto, for SKG, including third parties such as, purely by way of example and not limited to, collaborators, consultants, etc.

In fact, SKG considers the need to comply (and to make anyone who works with it comply) with the highest *standards of* ethics and transparency to be pre-eminent over any commercial requirement.

SKG, therefore, expects all those who have and intend to have legal relations with it to adopt a conduct that complies with the provisions of this Model and in line with the ethical principles contained therein.

The drafting and updating of the Model also took into account the "Guidelines for the construction of organisational, management and control models *pursuant to* Legislative Decree 231/2001" drawn up by Confindustria, as well as the jurisprudential and doctrinal orientations formed over time on the subject. The drafting of the Model is also inspired by the principles and provisions of the TGK Code of Ethics and Behavioural Code, which forms an integral part of this Model.

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2. DEFINITIONS

For the better understanding of this document, the definitions of the most important recurring terms are clarified:

- **Risk Areas**: the areas of the Company's activities in which, in more concrete terms, the risk of commission of Offences, as identified in the Special Part of the Model, may arise.
- **CCNL**: the National Collective Labour Agreement applied by the Company.
- **Code of** Ethics **and Conduct**: the code of ethics adopted by the Company and approved by the SKG Board of Directors.
- **Consultants**: persons acting in the name and/or on behalf of the Company by virtue of a mandate contract or other contractual relationship of professional collaboration.
- **D. Legislative** Decree No. 231/2001 **or the Decree**: Legislative Decree No. 231 of 8 June 2001, as amended and supplemented.
- **Addressees**: Consortium members and their employees, Company Representatives and External Parties.
- Employees: persons having a subordinate employment relationship with the Company, including managers, and those who, regardless of the type of contract, nevertheless carry out a work activity with the Company.
- Entities: companies, consortia and other entities subject to the Decree.
- **Company Representatives**: directors, auditors, general manager and employees of the Company.
- *Persons* **in** *charge of* **a public service**: pursuant to Article 358 of the Criminal Code*, 'persons in charge of a public service are those who, for whatever reason, perform a public service. A public service is to be understood as an activity governed in the same manner as a public function, but characterised by the lack of the powers typical of the latter, and excluding the performance of simple tasks of order and the performance of merely material work'*.

- *Guidelines*: the *'Guidelines for the construction of organisation, management and control models pursuant to Article 6(3) of Legislative Decree 231/01'*, approved by Confindustria on 7 March 2002 and subsequently updated.
- Model: this Organisation, Management and Control Model, which contains the prescriptions adopted by SKG in compliance with Legislative Decree 231/2001 and its subsequent amendments.
- **Corporate Bodies**: the Board of Directors and its members and the Sole Auditor.
- **Supervisory Body or SB**: the internal control body responsible for supervising the functioning of and compliance with the Model as well as its updating.
- **Public Administration or 'P.A.'**: the State (including governmental, territorial, local, sectorial bodies, such as, governmental bodies, regulatory authorities, regions, provinces, municipalities, districts) and/or all public bodies and entities (and in cases determined by law or functions, private entities that in any case perform a public function such as, for example, concessionaires, public law bodies, contracting authorities, mixed public-private companies) that perform activities to pursue public interests. This definition includes the Public Administration of Foreign States and of the European Union as well as, again in relation to Offences against the P.A., persons employed or entrusted with a public service (by concession or otherwise) or performing a public function and/or public officials. In this context, moreover, (i) public service includes, inter alia, activities performed, by concession or agreement, in the general interest and subject to the supervision of public authorities, activities relating to the protection of or concerning life, health, welfare, education, etc. (ii) public function includes, inter alia, activities governed by public law, including legislative, administrative and judicial functions.
- **Public official**: as provided for in Article 357 of the Criminal Code*, 'for the purposes of criminal law, public officials are those who exercise a public legislative, judicial or administrative function. For the same purposes, an administrative function governed by rules of public law and authoritative acts and characterised by the formation and manifestation of the will of the public administration or by its performance by means of authoritative or certifying powers is public"*.
- Offences: the types of offences included in the catalogue of predicate offences set out in Legislative Decree 231/2001 on the administrative liability of Entities.
- **Company or TGK**: TGK Europe S.r.l.
- **External Parties**: all third parties (self-employed or para-subordinate workers, professionals, consultants, suppliers, etc.) who, by virtue of contractual relations, act on behalf of the Company - within the limits of what has been agreed with them.
- **TUF**: Legislative Decree No. 58 of 24 February 1998, as amended.

3. LEGISLATIVE DECREE NO. 231/2001

3.1 ADMINISTRATIVE LIABILITY OF LEGAL PERSONS FOR OFFENCES

Legislative Decree no. 231 of 8 June 2001, containing the *'regulation of the administrative liability of legal persons, companies and associations, including those without legal personality'* (hereinafter also referred to as the '**Decree**' or '**Legislative Decree 231/2001**') was issued in implementation of the delegation referred to in Article 11 of Law no. 300 of 29 September 2000, in the context of the adaptation of domestic legislation to certain international conventions (Brussels Convention of 26 July 1995 on the protection of the financial interests of the European Community; Brussels Convention of 26 May 1996 on the fight against corruption in public officials of the European Community and the European Economic Area). 300 of 29 September 2000, when adapting domestic legislation to certain international conventions (Brussels Convention of 26 July 1995

on the Protection of the European Community's Financial Interests; Brussels Convention of 26 May 1996 on Combating Bribery of Public Officials of the European Community and its Member States; OECD Convention of 17 December 1997 on Combating Bribery of Foreign Public Officials in International Business Transactions), to which Italy had acceded in order to combat certain illegal conduct.

The Decree introduced into the Italian legal system a system of administrative liability of Entities for certain offences, exhaustively listed, if committed by their representatives in the interest or to the advantage of the Entities themselves. This liability is in addition to the criminal liability of the natural person who committed the offence. In this way, the intention of the legislator is that, for offences occurring in a complex organisation, not only the individual natural person who committed the offence is liable, but also - under certain conditions - the organisation itself. The latter may, however, as will be seen below, be exempt from liability if it has set up a system of procedures and controls aimed at preventing and combating the commission of offences from within.

For the application of this liability, it is necessary in the first place (objective imputation criterion) that:

a) an alleged offence is committed in the interest or to the advantage of the Entity;

b) the offence was committed by one of the following qualified persons:

- by natural persons who hold positions of representation, administration, management or control (including de facto) of the Entity or of organisational areas with financial and functional autonomy, or who carry out, including de facto, the management and control of the Entity itself (so-called '**senior persons**');
- by natural persons subject to the direction or supervision of the above-mentioned persons (so-called '**subordinates**').

If the interest is completely lacking, because the qualified person acted to realise an interest exclusively of his own or of third parties, the entity cannot be held liable. On the contrary, if an interest of the entity - albeit partial or marginal - exists, the offence is committed even if no advantage has materialised for the entity, which may at most benefit from a reduction in the fine.

The liability of the Entity, as mentioned, is in addition to - and not in lieu of - the criminal liability of the natural person who materially committed the offence, and is independent of it, subsisting even when the offender has not been identified or cannot be charged, or when the offence is extinguished for a reason other than amnesty.

It should be pointed out that Legislative Decree No. 231/2001 does not introduce new offences with respect to those existing and envisaged for natural persons, but extends, for the hypotheses expressly indicated and in accordance with the particular rules laid down therein, the liability also to the Entities to which the aforesaid natural persons are functionally referable.

The basis of such liability consists, in a nutshell, in the so-called *'organisational fault' on* the part of the Entity, a further and crucial imputation criterion compared to those listed above (subjective imputation criterion). In fact, the Entity is held liable for the administrative offence dependent on the Offence committed by one of its exponents, if it has failed to set up an organisation capable of effectively preventing the commission of the Offence (or, in any case, of significantly reducing the possibility thereof) and, in particular, if it has failed to equip itself with an internal control system and adequate procedures for carrying out the activities at greater risk of commission of the Offences (for example, in the context of contracting with the Public Administration) provided for by the Decree.

The liability of the Entity, as will be seen in more detail below, is substantially presumed when the offence is committed by a natural person who holds positions of management or responsibility; consequently, the onus

falls on the Entity to prove its extraneousness to the facts by proving that the act committed is extraneous to corporate policy.

Conversely, the liability of the Entity is to be proved by the public prosecution in the event that the person who committed the offence does not hold an apical function within the company's organisational system; the burden of proof therefore falls, as traditionally happens in the criminal justice system, on the prosecution, which must therefore demonstrate the existence of organisational or supervisory deficiencies that may entail co-responsibility on the part of apical persons.

The addressees of the Decree

The addressees of the Decree are legal persons, companies and associations, including those without legal personality. Included in the broad formulation chosen by the legislator are corporations and partnerships, cooperatives, foundations, consortia with external activities.

On the other hand, the State, territorial public bodies, other non-economic public bodies and bodies with functions of constitutional importance (e.g. political parties, trade unions, etc.) are not subject to the Decree.

Crimes

The offences entailing the liability of the Entity are exhaustively indicated by the legislator, and are historically subject to frequent and periodic amendments and additions by the same legislator; therefore, constant verification of the adequacy of the system of rules constituting the organisation, management and control model provided for by the Decree and functional for the prevention of such offences is necessary.

It is important to emphasise, however, that offences committed abroad can also lead to liability under the Decree.

Given that the scope of application of the administrative liability of Entities seems destined to be further extended, at present the relevant predicate offences can be grouped as follows (for a more detailed description of each of them, please refer to the Annex List of Offences):

- **Offences in dealings with the Public Administration (Articles 24 and 25 of the Decree);**
- **Computer crimes and unlawful processing of data (Article 24-bis of the Decree);**
- **Organised crime offences (Article 24-ter of the Decree);**
- **Transnational offences (extension of the Decree by the introduction of Article 10 of Law No. 146 of 16 March 2006);**
- **Offences relating to counterfeiting money, public credit cards, revenue stamps and identification instruments or signs (Article 25-bis of the Decree);**
- **Crimes against industry and trade (Article 25-bis.1 of the Decree);**
- **Corporate Offences (Article 25-ter of the Decree);**
- **Bribery among private individuals (Article 25-ter(1)(s-bis) of the Decree);**
- **Crimes for the purpose of terrorism or subversion of the democratic order provided for in the Criminal Code and in special laws and offences committed in violation of the provisions of Article 2 of the International Convention for the Suppression of the Financing of Terrorism, signed in New York on 9.12.1999 (Article 25-quater of the Decree);**

- **Practices of female genital mutilation (Article 25-quater.1 of the Decree);**
- **Crimes against the individual (Article 25-quinquies of the Decree);**
- **Market abuse (Article 25-sexies of the Decree);**
- **Manslaughter or grievous or very grievous bodily harm committed in breach of the rules on the protection of health and safety at work (Article 25-septies of the Decree);**
- **Receiving, laundering and using money, goods or benefits of unlawful origin, as well as selflaundering (Article 25-octies of the Decree);**
- **Offences relating to non-cash payment instruments and fraudulent transfer of values (Article 25-octies.1 of the Decree);**
- **Copyright infringement offences (Article 25-novies of the Decree);**
- **Inducement not to make statements or to make false statements to the judicial authorities (Article 25-decies of the Decree);**
- **Environmental Offences (Article 25-undecies of the Decree);**
- **Employment of third-country nationals whose stay is irregular (Article 25-duodecies of the Decree);**
- **Racism and xenophobia (Article 25-terdecies of the Decree);**
- **Fraud in sporting competitions, unlawful gaming or betting and gambling by means of prohibited devices (Article 25-quaterdecies of the Decree);**
- **Tax offences (Article 25-quinquiesdecies of the Decree);**
- **Offences of smuggling (Article 25-sexiesdecies of the Decree);**
- **Crimes against cultural heritage (Article 25-septiesdecies of the Decree);**
- **Laundering of cultural goods and devastation and looting of cultural and landscape assets (Article 25-duodicies of the Decree);**
- **Non-compliance with prohibitory sanctions (Article 23 of the Decree)**.

Sanctions

The penalty system provided for Entities by the Decree is articulated and varied, comprising pecuniary sanctions, interdictory sanctions, a reputational sanction and finally that of the confiscation of the price or profit of the offence.

The determination of the **financial penalties** applicable under the Decree is based on a quota system. For each offence, in fact, the law in abstract determines a minimum and maximum number of quotas; the number of quotas can never be less than one hundred and more than one thousand, and the amount of the individual quotas can range from a minimum of approximately EUR 258 to a maximum of approximately EUR 1549. On the basis of these coordinates, the judge, having ascertained the liability of the entity, determines the financial penalty applicable in the specific case.

The determination of the number of quotas by the judge is commensurate with the seriousness of the offence, the degree of liability of the entity, and any activity carried out to repair the consequences of the offence committed and to prevent others. On the other hand, the amount of the individual quotas is fixed on the basis of the economic and asset conditions of the entity, in order to ensure the effectiveness of the sanction.

In the cases provided for by law, the criminal court may apply **prohibitory sanctions**, which may be particularly afflictive since they affect the entity's activity itself.

To this end, first of all, the express regulatory provision of the possibility of imposing a disqualification sanction following the commission of the predicate offence actually committed is required.

Furthermore, it is necessary that the offence committed by the top manager should have procured a significant profit for the entity, that the offence committed by the subordinate should have been caused or facilitated by serious organisational deficiencies, or that there should have been a repetition of the offence.

Disqualifying sanctions may consist of:

a) in disqualification from exercising the activity;

b) suspension or revocation of authorisations, licences or concessions instrumental to the commission of the offence;

c) in the prohibition to contract with the public administration, except to obtain the performance of a public service;

d) in the exclusion from benefits, financing, contributions or subsidies and the possible revocation of those already granted;

e) in the prohibition of advertising goods or services.

In cases in which the interruption of the Entity's activity could result in significant repercussions on employment and/or serious harm to the community (for entities performing a public service or a service of public necessity), the judge may order the continuation of the activity by a commissioner in lieu of the prohibitory sanction.

Under certain conditions, prohibitory sanctions may be applied as precautionary measures in the course of proceedings.

The publication of the conviction in one or more newspapers, either in excerpt or in full, may be ordered by the Judge, together with posting in the municipality where the Entity has its head office, when a disqualification sanction is applied. Publication is carried out by the Clerk of the competent Judge and at the expense of the Entity.

A conviction shall always order the **confiscation** (also for equivalent) of the price or profit derived from the offence committed (except for the part that can be returned to the injured party).

Where it is not possible to execute confiscation on assets directly constituting the price or profit of the offence, confiscation may be applied to sums of money, assets, or other utilities of equivalent value to the price or profit of the offence.

As a precautionary measure, seizure may be ordered in respect of items constituting the price or profit of the offence or their monetary equivalent that are liable to confiscation.

Attempted crimes

The scope of application of the sanctions system provided for in Legislative Decree no. 231/2001 also applies in the event that the offence remains at the level of attempt (Art. 26. Lgs. 231/2001 also operates in the event that the offence remains at the level of attempt (Article 26). In fact, the liability of the company may also apply if the predicate offence is in the form of an attempt (Article 26 of the Decree), i.e. when the agent performs acts that are unequivocally suitable for committing the offence and the action is not carried out or the event does not occur (Article 56 of the Criminal Code).

In this case, the pecuniary and disqualification penalties are reduced by between one third and one half. Furthermore, the entity is not liable when it voluntarily prevents the performance of the action or the realisation of the event.

3.2 THE ROLE OF THE ORGANISATIONAL MODEL IN THE 231 SYSTEM

As seen above, imputation criteria of an objective and subjective nature oversee the application of the 231 sanctions described. First of all, the offence must be committed by senior or subordinate persons in the interest or to the advantage of the entity, an objective imputation criterion. At the level of subjective imputation, on the other hand, the heart of Legislative Decree 231/2001 is the already mentioned organisational fault: the entity may be punished if it has not actively structured an anti-offence organisation. Conversely, in the presence of an adequate and effective organisation, management and control model ('**Model**'), it cannot be affected by the sanctions described above.

More specifically, the path of subjective imputation follows different paths depending on the apical or subordinate status of the offender.

More specifically, in the case of an offence committed by a so-called apical subject, the entity is not liable if it proves that (pursuant to Article 6(1) of Legislative Decree No. 231/2001)

a. the management body has adopted and effectively implemented, prior to the commission of the offence, organisational and management models capable of preventing offences of the kind committed;

b. the task of supervising the functioning, effectiveness and observance of the models, as well as ensuring that they are kept up-to-date, has been entrusted to a body of the entity endowed with autonomous powers of initiative and control (the so-called '**Supervisory Board**' or '**SB**');

c. the natural persons committed the offence by fraudulently circumventing the organisation and management models;

d. there has been no or insufficient supervision by the body referred to in (b) above.

The same D. Legislative Decree 231/2001 itself outlines the content of the organisation and management models, providing that they must meet - in relation to the extent of the delegated powers and the risk of offences being committed - the following requirements (on the further essential requirement represented by the so-called *whistleblowing*, see below):

1. identify the activities within the scope of which the predicate offences may be committed;
2. prepare specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the offences to be prevented;
3. identify the methods of managing financial resources suitable for preventing the commission of such offences;
4. provide for information obligations vis-à-vis the body in charge of supervising the functioning of and compliance with the organisational model;
5. introduce a disciplinary system suitable for penalising non-compliance with the measures indicated in the organisational model.

Pursuant to Article 7(1) of Legislative Decree No. 231/2001, in the case of an offence committed by persons subject to the management of others, the entity is not liable if it proves that failure to comply with management or supervisory obligations did not contribute to the commission of the offence.

In any case, liability is excluded if the entity, before the offence was committed, adopted and effectively implemented an organisation, management and control model capable of preventing offences of the kind committed (Article 7(2) of Legislative Decree No. 231/2001).

The adoption of the Model is optional and not mandatory. Any failure to adopt it per se is therefore not subject to any sanctions, but exposes the Entity to liability for administrative offences dependent on offences that may have been committed by apical or subordinate persons. The adoption of a suitable Model and its effective implementation therefore become essential in order to be able to benefit from this sort of 'shield', i.e. as an indispensable prerequisite to benefit from the exemption provided for by the legislator.

It is also important to bear in mind that the Model is not to be understood as a static tool, but must be considered, on the contrary, a dynamic apparatus that allows the Entity to eliminate, through a correct and targeted implementation of the same over time, any shortcomings that, at the time of its creation, could not be identified.

The adoption of the Model must necessarily be complemented by its effective and concrete implementation and its updating and development aimed at maintaining compliance with the law and promptly discovering risk situations, taking into account the type of activity carried out and the nature and size of the organisation. In fact, the effective implementation of the Model requires regular training activities, as well as periodic verification and amendment of the same if significant violations of the law are discovered or if significant changes occur in the organisation; the existence of an appropriate disciplinary system is also important.

It should be noted that the Company's Model was also prepared on the basis of the Guidelines drawn up by Confindustria. However, it should be specified that the Guidelines are not binding and that the Models prepared by the Entities may deviate from them (without prejudice to their effectiveness) due to the need to adapt them to individual organisational realities.

4. THE ORGANISATIONAL SYSTEM AND INTERNAL CONTROL

4.1 GENERAL PRINCIPLES

Below are the general principles that inspire the Company in the preparation of its organisational and internal control system.

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Responsibilities must be defined and duly distributed, avoiding functional overlaps or operational allocations that concentrate critical activities on a single person.

No significant operations (in qualitative-quantitative terms), within each area, may be originated/activated without authorisation.

Powers of representation must be granted according to areas of exercise that are closely related to the tasks assigned and the organisational structure.

Operating procedures, service orders and information systems must be consistent with Company policies and the Code of Ethics and Conduct.

Control Principles and Schemes

Without prejudice to what is regulated in the relevant Sections of the Special Part of the Model, below are the principles to which the specific procedures aimed at preventing the commission of Offences must be guided.

The procedures must ensure compliance with the following control elements:

- traceability: it must be possible to reconstruct the formation of the documents and information/documentary sources used to support the activity carried out, to guarantee the transparency of the choices made; for each operation there must be adequate documentary support on which it is possible to carry out checks at any time to certify the characteristics and motivations of the operation and identify who authorised, carried out, recorded and verified the operation itself;
- segregation of duties: there must be no subjective identity between those who make or implement decisions, those who must give accounting evidence of the operations decided upon, and those who are required to carry out the controls on the same as provided for by law and by the procedures laid down by the internal control system; moreover
    - no one may be granted unlimited powers;
    - powers and responsibilities must be clearly defined and known within the organisation;
- Signature and authorisation powers: there must be formalised rules for the exercise of internal signature and authorisation powers;
- archiving/document retention: documents concerning the activity must be archived and retained, by the competent function, in such a way that they cannot be subsequently altered, except with appropriate evidence;
- documentation of controls: the control system must provide for a reporting system (possibly by means of minutes) suitable for documenting the performance and outcome of controls, including supervisory controls.

4.2 GENERAL CONTROL OBJECTIVES

In order to reasonably prevent the commission of Offences, the Company has identified the following general control objectives, which the Company structures are required to pursue through the adoption of procedures,

operating instructions and other operational tools. The Sections of the Special Part of the Model identify the specific control objectives that the Company has set itself in the context of each corporate process.

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- Operational processes must be defined with adequate documentary/system support to ensure that they are always verifiable in terms of appropriateness, consistency and accountability.
- Operational choices must be traceable in terms of characteristics and motives, and those who authorised, performed and verified individual activities must be identifiable.
- The exchange of information between contiguous phases/processes must include mechanisms (reconciliations, reconciliations, etc.) to ensure the integrity and completeness of the data managed.
- Human resources must be selected, recruited and managed in a transparent manner and in line with ethical values and in compliance with laws and regulations.
- Personnel must be trained and instructed to perform their assigned tasks.
- The acquisition of goods and services for business operations must be from selected and monitored sources.
- Relations with third parties, and in particular with the Public Administration, must be maintained by authorised and identifiable persons, according to criteria of transparency and in compliance with the laws in force.
- Administrative and management information systems must be geared towards integration and standardisation.

4.3 OBJECTIVES AND STRUCTURE OF THE ORGANISATIONAL MODEL OF TGK

TGK is part of the group headed by the Japanese company TGK CO. LTD. TGK is a company dedicated to the production and assembly of components for automotive air conditioning systems, namely expansion valves for car air conditioners. The company's main customer is its minority shareholder, SKG Italia S.p.A., whose services it also uses (e.g. purchasing office, management activities).

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The Company, in order to always guarantee conditions of correctness and transparency from an ethical and regulatory point of view, has deemed it appropriate to adopt an Organisation and Management Model capable of preventing the commission of the offences provided for in the Decree.

Considering the reference regulatory context in which it operates, as well as the system of controls to which it is subject, in defining the 'Organisation, Management and Control Model' the Company has adopted a design approach that allows it to use and integrate the rules that currently exist in this Model, forming, together with the Code of Ethics and Behavioural Code, an organic *body of* internal rules and principles, aimed at disseminating a culture of ethics, correctness and legality.

The Company has deemed it appropriate to adopt a specific Model pursuant to the Decree in the conviction that this constitutes not only a valid tool for raising the awareness of all those who act on behalf of and in the interest of the Company, but also a more effective means of prevention against the risk of commission of the offences envisaged by the reference legislation.

In particular, through the adoption and constant updating of the Model, the Company intends to pursue the following main aims:

- specifically identify the so-called 'sensitive activities', i.e. those activities within the scope of which, by their nature, the offences provided for in the Decree may be committed;

- determine the general principles of conduct, to which specific procedures and protocols are added with reference to individual company functions;
- determine, in all those who act in the name of and operate on behalf of or in the interest of the Company (directors, Company personnel, external collaborators, etc.), the awareness that they may incur, in the event of violation of the provisions imparted on the subject, disciplinary and/or contractual consequences, as well as criminal and administrative sanctions that may be imposed on them;
- reiterate that any forms of unlawful conduct are strongly condemned by the Company, since these, even if the Company was apparently in a position to benefit from them, or if they were carried out in its interest, are in any case contrary not only to the provisions of the law, but also to the ethical principles to which the Company intends to adhere in the exercise of its business activities;
- encourage proper record keeping and traceability of relevant transactions;
- avoid the concentration of the management of an entire process on one person within the organisation;
- identify the processes for managing and controlling financial resources;
- set up a system of disciplinary sanctions applicable in the event of violation of the provisions contained in the Model in line with the Workers' Statute and the National Collective Labour Agreement;
- entrusting the Supervisory Board with the task of supervising the operation of and compliance with the Model and proposing its updating if there have been significant violations of the provisions or organisational changes or changes in the Company's activities;
- provide adequate training to Company Representatives (including Employees) and Recipients in general, on the activities included in the Risk Areas (which may entail the risk of commission of Offences) and on the sanctions that may be imposed on them or on the Company as a result of the breach of the law or of the Company's internal provisions;
- disseminate and affirm a culture based on legality, with the express repudiation by the Company of any conduct contrary to the law or internal provisions and, in particular, the provisions contained in this Model;
- disseminate a culture of control, which must preside over the achievement of the objectives that, over time, the Company sets itself;
- provide for an efficient and balanced organisation of the company, with particular regard to the formation of decisions and their transparency, controls, preventive and subsequent, as well as internal and external information;
- prevent the risk, through the adoption of specific procedural principles aimed at regulating the formation and proper implementation of corporate decisions in relation to the offences to be prevented.

The Model consists of a General Section and a Special Section, the latter in turn subdivided into several sections, referring to the different corporate processes relevant to the risk of commission of Offences.

4.4 THE MAPPING OF RISKS

Article 6 of the Decree provides for an analysis of the activities carried out within the Company in order to identify those which, in accordance with the Decree, may be considered at risk of offences.

Therefore, the first step was to identify the 'crime risk' or 'sensitive' areas, as required by the legislation in question.

In order to determine the potential risk profiles for the Company, pursuant to the regulations dictated by the Decree, they were

- analysed the corporate structure and the activity carried out, identified through the study of existing organisational provisions;
- conducted interviews with representatives of the main corporate functions;
- ascertained the individual activities at risk for the purposes of the Decree.

The risk activity mapping phase made it possible to identify the risk areas and sensitive activities most exposed to the offences provided for in the Decree. At the end of the above process, a '*Risk Assessment & Gap Analysis*' grid was compiled.

The risk assessment was carried out by means of individual interviews with so-called *process owners*, as well as by examining relevant internal documents and the company organisational chart, with the aim of identifying:

1. the company processes at an abstract risk of offences being committed;
2. the specific activities, for each identified process, in which one or more unlawful behaviours may occur;
3. the function within which this activity takes place;
4. the offences potentially associated with each activity at risk;
5. existing controls within the identified activities.

Risk assessment

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

a) the so-called **inherent** risk, understood as the level of risk abstractly linked to each business activity, irrespective of the existence of safeguards in place to mitigate that risk ;

b) the **effectiveness of the control system** in preventing the risks abstractly present in the identified processes;

c) the so-called **residual risk**, which represents the level of risk determined taking into account the mitigating effect of the control system in place.

In this regard, the level of inherent risk was identified on the basis of the following quantitative indices:

a) **Probability**, understood as the frequency with which a given activity is performed in the Company's business, according to the scale below:

SCALE	CLASSIFICATION	DESCRIPTION
1	Low frequency/episodic	the activity is carried out in exceptional circumstances, without a defined periodicity
2	Average/periodic frequency	the activity is carried out with a predetermined or determinable frequency
3	High frequency / continuous	the activity takes place constantly / with significant frequency

b) **Impact**, understood as the seriousness of the consequences in the event of the commission of one of the predicate offences linked to the activity in question:

SCALE	CLASSIFICATION	DESCRIPTION
1	Low	Fine of up to 500 quotas
2	Medium	Fine exceeding 500 quotas
3	High	Disqualification sanction

These quantitative indices were weighted, where necessary, by a qualitative assessment of the severity of the inherent risk.

The inherent risk is therefore determined according to the following scheme:

INHERENT RISK MATRIX				
	IMPACT			
PROBABILITY		1	2	3
	1	LOW RISK	LOW RISK	LOW RISK
	2	LOW RISK	MEDIUM RISK	MEDIUM RISK
	3	LOW RISK	MEDIUM RISK	HIGH RISK

Following the inherent risk, **the overall effectiveness of the control system** in place for each risk activity considered in mitigating the existing inherent risks was assessed, taking into account

- the compliance of the process with established *best practices*;
- the existence of written procedures, manuals or directives governing the activity in question;
- the existence of computer tools or other tools for the automatic control of activities;
- the existence and level of *segregation of duties* within the process;
- the existence of formalised powers and first-level controls within 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** was determined starting from the inherent risk identified as above and considering the mitigating effect of the existing control system, according to the diagram below:

RESIDUAL RISK MATRIX				
		EFFECTIVENESS OF THE CONTROL SYSTEM		
		High	Media	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

On the basis of the risk assessment as described above and, in particular, the effectiveness of the existing control system compared to industry *best practices*, the Company has identified areas for possible further improvement, immediately implementing the necessary measures and adopting adequate control plans to govern the residual risks, as well as a process of continuous improvement of the control system, which may be subject to periodic verification by the Supervisory Board, also in function of a periodic review of the level of residual risk as a result of the constant improvement of the effectiveness of the control system.

5. ADOPTION OF THE MODEL

5.1 ADOPTION AND IMPLEMENTATION OF THE MODEL

This document is "*an act of issuance by the management body*" in accordance with the provisions of the Decree, and therefore its adoption, any changes to it, and the responsibility for its concrete implementation, are referred to the Board of Directors of the Company.

5.2 THE ADDRESSEES OF THE MODEL

The Model and the provisions contained and referred to therein must be complied with by the following persons (the '**Addressees**'), as defined in Chapter 2 above:

- Company and its employees
- Company Representatives
- External Subjects

With regard to External Parties, compliance with the Model is ensured by means of a contractual clause committing the contractor to abide by the principles of TGK's Code of Ethics and Behaviour and the Model adopted by the Company, and to report any news of the commission of offences or their violation (see paragraph 7 below).

5.3 UPDATING THE MODEL

Updating the Model is necessary on occasion:

- the introduction of significant new legislation;
- significant cases of violations of the Model and/or outcomes of audits on its effectiveness or experiences in the public domain in the sector;
- significant organisational changes to the Company's structure.

Updating must be performed cyclically and continuously, and the task of formally arranging and implementing the updating or adaptation of the Model is assigned to the Board of Directors, with the cooperation of the Supervisory Board.

More specifically:

- the Supervisory Board informs the Board of Directors of any information of which it is aware that may determine the need to update the Model;
- the update programme is prepared by the Company, in agreement with the Supervisory Board and with the contribution of the corporate functions concerned;
- the Supervisory Board monitors the implementation of the actions ordered and informs the Board of Directors of the outcome of the activities.

Amendments and additions are left to the competence of the Board of Directors of the Company.

Amendments concerning the implementation protocols of the Model (e.g. procedures) are adopted directly by the corporate functions concerned, possibly also after consulting the Supervisory Board, which may express an opinion and make proposals to that effect.

6. THE SUPERVISORY BODY (SUPERVISORY BOARD)

6.1 INSTITUTION

Pursuant to Article 6(1)(b) of Legislative Decree No. 231/2001, the Company, by resolution of the Board of Directors, has set up a Supervisory Board (the **'SB**'), which is entrusted with the task of supervising the operation of and compliance with the Model and ensuring that it is updated.

Pursuant to Article 6(l)(b) of Legislative Decree 231/2001, the Supervisory Board is endowed with '*autonomous powers of initiative and control*'.

The Supervisory Board operates with appropriate autonomy and reports to the Board of Directors and/or the Single Statutory Auditor, availing itself of the support of those corporate functions that from time to time may be useful for its activities.

6.2 APPOINTMENT AND REQUIREMENTS

The Supervisory Board remains in office for three years and its members can be confirmed in office at the end of their term.

In accordance with the Guidelines, the Company's Supervisory Board may have a single-member or multi-member composition, as decided by the Company's Board of Directors. In the event of a single-member composition, the role shall be held by a person external to the Company and the shareholders. In the event that the Company opts for a multi-subjective composition, the majority of the members shall be persons external to the Company and the shareholders.

The Supervisory Board as a whole, whether in single or multi-subject form, must meet the requirements of:

- autonomy and independence: absence of operational tasks, position of third party with respect to the subjects on whom the supervision is to be exercised;
- professionalism: technical and professional skills appropriate to the functions to be performed;
- continuity of action: possibility of constant supervision of compliance with the Model and assiduous verification of its effectiveness and efficacy.

Furthermore, the individual members of the Supervisory Board must meet the requirements of honourableness and independence. In particular, they cannot be appointed as members of the Supervisory Board:

1. those who have suffered a conviction, even if not final or with a conditionally suspended sentence, or a sentence issued pursuant to Articles 444 et seq. of the Code of Criminal Procedure, without prejudice to the effects of rehabilitation:
    - to imprisonment for a term of not less than one year for one of the offences provided for in Royal Decree No. 267 of 16 March 1942;
    - to imprisonment for a term of not less than one year for one of the offences provided for in the rules governing banking, financial, securities and insurance activities and in the rules governing markets and securities, payment instruments;
    - to imprisonment for a term of not less than one year for a crime against the public administration, against public faith, against property, against the public economy, for a crime relating to tax matters;
    - for any non-negligent offence to imprisonment for a term of not less than one year;
    - for one of the offences provided for in Title XI of Book V of the Civil Code as reformulated by Legislative Decree No. 61/2002 and most recently amended by Law 69/2015;

- for an offence which results in and has resulted in a conviction to a penalty leading to disqualification, including temporary disqualification, from public office, or temporary disqualification from the executive offices of legal persons and companies;
- for one of the offences or administrative offences referred to in the Decree, even if sentenced to lesser penalties than those indicated in the preceding points;

2. those who have been the recipients of a decree ordering them to stand trial for one of the offences or administrative offences referred to in the Decree;
3. those who have been subjected to preventive measures pursuant to Law No. 1423 of 27 December 1956 or Law No. 575 of 31 May 1965 and subsequent amendments and additions, without prejudice to the effects of rehabilitation;
4. pursuant to Legislative Decree No 159 of 6 September 2011 'Code of anti-mafia laws and prevention measures, as well as new provisions on anti-mafia documentation'.
5. the directors of the Company and those who find themselves in one of the situations contemplated in Article 2399 of the Civil Code.

Candidates for the office of members of the Supervisory Board must self-certify that they do not find themselves in any of the conditions of ineligibility indicated above, expressly undertaking to notify any changes to the content of such declarations.

6.3 REVOCA

The Board of Directors of the Company can only dismiss the members of the Supervisory Board for just cause.

They constitute just cause for revocation:

- significant failures to comply with the mandate conferred, with regard to the tasks indicated in the Model, including breach of confidentiality obligations concerning the news and information acquired by reason of the mandate and negligence in pursuing the activities of control and updating of the Model;
- unjustified absence from three or more meetings of the Supervisory Board, even if not consecutive;
- when the Board of Directors becomes aware of the aforesaid causes of ineligibility, prior to appointment as a member of the Supervisory Board and not indicated in the self-certification;
- when the following grounds for disqualification occur.

6.4 FORFEITURE AND WITHDRAWAL

The members of the Supervisory Board automatically fall from office if, after their appointment, they find themselves in one of the situations of ineligibility indicated above.

The members of the Supervisory Board may withdraw from the post at any time, by giving at least two months' notice, without giving any reason.

6.5 FINANCIAL ENDOWMENT OF THE ODV

The Supervisory Board is endowed with an adequate financial *budget* - decided annually by the Board of Directors - which it may use to perform its functions; in the event of extraordinary needs requiring additional financial resources, the Supervisory Board shall submit a specific request to the Board of Directors.

The members of the Supervisory Board must be adequately remunerated, and the Board of Directors will determine their annual remuneration.

6.6 TASKS AND RESPONSIBILITIES À

From a general point of view, the Supervisory Board carries out two types of activities aimed at reasonably reducing the risks of offences being committed:

- ensure that the Recipients of the Model, specifically identified on the basis of the different offences and relevant processes identified, comply with the provisions contained therein;
- verify the results achieved by the application of the Model with regard to the prevention of offences and assess the need or advisability of adapting the Model to new regulations or new company requirements.

As a result of these checks, the Supervisory Board will propose to the competent bodies any adjustments and updates to the Model that it deems appropriate: it must therefore be promptly informed of any changes to both the Model and the organisational structure of the Company.

From an operational point of view, the Supervisory Board has the task of:

- carry out periodic interventions, on the basis of an annual or multiannual programme drawn up by the Supervisory Board itself, aimed at ascertaining the provisions of the Model and, in particular, monitor
    a. that the procedures and controls it covers are applied and documented in a compliant manner;
    b. so that ethical principles are respected;
    c. on the adequacy and effectiveness of the Model in preventing offences relevant to the Decree.
- report any deficiencies/inadequacies of the Model in the prevention of offences relevant to the Decree and verify that the management implements corrective measures;
- suggest appropriate verification procedures, always bearing in mind, however, that the responsibility for controlling activities lies with management;
- initiate internal investigations in the event that a breach of the Model or the commission of offences has been revealed or suspected, as provided for in paragraph 7 below;
- carry out monitoring activities and spot checks;
- promote initiatives to spread knowledge and effective understanding of the Model among the Addressees, ensuring the preparation of internal documentation (instructions, clarifications, updates) or specific training seminars, necessary for the Model to be understood and applied, in accordance with the provisions of paragraph 8 below;
- coordinating with the heads of the various corporate functions for the control of activities in the areas at risk and discussing with them all issues relating to the implementation of the Model (e.g. definition of standard clauses for contracts, organisation of courses for personnel, new relations with the Public Administration, etc.);
- Suggest appropriate updates to the Model, taking into account any new regulations and organisational changes in the Company;
- requesting the periodic updating of the risk map, and verifying that it is actually updated by means of targeted periodic checks on activities at risk. To this end, the Supervisory Board must receive reports from the management and the persons in charge of control activities of any situations that may expose the Company to the risk of offences;
- collect, process and store all relevant information received on compliance with the Model.

For the proper performance of its duties, the Supervisory Board must:

- have free access, without the need for any prior consent, to the persons and to all corporate documentation (documents and data), as well as the possibility of acquiring relevant data and information (financial, asset, economic transactions and all those transactions that more generally concern the management of the Company) from the persons in charge; to this end, the Supervisory Board may request from the various structures, including top management, all the information deemed necessary for the performance of its activities;
- have the power, by coordinating and informing the corporate functions concerned in advance, to request and/or assign third parties with the necessary specific skills, tasks of a technical nature;
- issue regulations governing the schedule of activities and arrangements for meetings and information management;
- meet at least four times a year and as often as deemed necessary or urgent; the meetings will be minuted and copies of the minutes will be kept by the Supervisory Board.

6.7 *REPORTING* TO CORPORATE BODIES

The Supervisory Board prepares a report, at least every six months, for the Board of Directors and the Single Statutory Auditor on the application and effectiveness of the Model, indicating the controls carried out and their results.

Moreover, the Supervisory Board annually prepares a report addressed to the Board of Directors and the Single Statutory Auditor, containing:

- summary of all the activities carried out during the year, checks and verifications performed;
- possible updating of the Model;
- other topics of major importance;
- annual plan of activities planned for the following year.

The Board of Directors may convene the Supervisory Board at any time to report on its activities and request to confer with it.

The Supervisory Board may in turn request to be heard by the Board of Directors of the Company, or, in case of urgency, by the Chairman of the Board of Directors, whenever it deems it appropriate to report promptly on violations of the Model or to request attention to critical issues concerning the functioning of and compliance with the Model.

6.8 COMMUNICATIONS TO THE SB (INFORMATION FLOWS)

In order to allow the Supervisory Board to monitor the adequacy and functioning of the Model, a communication system has been implemented between the Company and the Supervisory Board concerning all sensitive areas, as identified in the Special Section.

The purpose of the communication system to the Supervisory Board is to enable it to constantly acquire relevant information on all sensitive areas.

The purpose of the information flow system implemented by the Company is to create a communication system between the persons responsible for activities potentially at risk and the Supervisory Board that is structured, continuous and widespread.

Information flows take the form of the sending of communications and/or documents to the Supervisory Board in accordance with specific timeframes and methods.

Information flows are divided into:

- **Periodic information flows** to be compiled and sent to the Supervisory Board at predetermined intervals;
- **Event-driven information flows** to be compiled and sent to the Supervisory Board upon the occurrence of certain events.

For details of formalised flows, both periodic and event-driven, please refer to the relevant paragraphs within the chapters of the Special Section.

In addition to the formalised flows indicated in the Special Section, all Addressees are required to transmit/report to the Supervisory Board:

- internal reports from which responsibility for offences relevant for the purposes of the Decree emerges, or facts, events or omissions that can even only potentially be linked to offences relevant for the purposes of the Decree;
- visits, inspections and investigations undertaken by the competent bodies and their outcome;
- measures and/or information from judicial police bodies or any other authority, from which it can be inferred that investigations are being carried out, even against unknown persons, for offences under the Decree;
- requests for legal assistance made by directors, managers and/or employees against whom the judiciary prosecutes for offences under the Decree;
- information on disciplinary proceedings (relating to the Model) carried out and any sanctions imposed or orders to dismiss such proceedings with the relevant reasons;
- information on the development of activities pertaining to the risk areas identified by the Model and/or changes in the company organisation;
- information on security management and the status of implementation of planned interventions;
- upon request, copies of the minutes of the Single Statutory Auditor and the Board of Directors;
- the organisation charts and the system of delegation of powers and signatures in force and any amendments thereto;
- certification of attendance at training courses by all Addressees of the Model.
- any information concerning the commission or attempted commission of unlawful conduct provided for in the Decree or which in any case is relevant for the purposes of the administrative liability of the Company;
- any information concerning violations of the behavioural and operational procedures laid down in the Model, and more generally any act, fact or event or omission concerning any criticalities that have emerged with regard to compliance with and proper implementation of the Model.
- news about changes in the internal structure of the Company.

All communications should be sent to the following e-mail address: organismo231.tgk@tgkeurope.it

6.9 COLLECTION AND STORAGE OF INFORMATION

All information, indications, flows, reports provided for in the Model are stored by the Supervisory Board in a special computer and/or paper archive, in compliance with the confidentiality obligations provided for by Legislative Decree No. 196/2003 as amended, without prejudice to the fulfilment by the Supervisory Board of the reporting obligations provided for by the Model.

7. REPORTS (SO-CALLED *WHISTLEBLOWING*) AND THE RELATED INVESTIGATION PROCEDURE

The Company, in compliance with the provisions of Legislative Decree 24/2023, has established appropriate communication channels for the receipt, analysis and processing of reports of possible unlawful conduct within TGK (so-called *whistleblowing*), according to the procedures described in this paragraph as well as in accordance with the *Whistleblowing* Procedure that TGK has adopted (the "Whistleblowing Procedure").

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TGK is committed to ensuring that the identity of *whistleblowers* is always kept confidential and that *whistleblowers* do not incur any liability, be it civil, criminal, administrative or labour, for reporting possible wrongdoing in good faith through the appropriate channels.

TGK prohibits and stigmatises any act of retaliation or discrimination, direct or indirect, against anyone who reports in good faith potential unlawful conduct, directly or indirectly connected to the report, providing for adequate sanctions, within the disciplinary system, against those who violate the *whistleblower* protection measures. At the same time, TGK undertakes to apply adequate sanctions against those who, with wilful misconduct or gross negligence, make reports that prove to be unfounded.

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Those who can make a report are distinguished into:

- Fixed-term or open-ended employees
- Self-employed workers
- Freelancers or consultants
- Volunteers and trainees (paid or unpaid)
- Probationary hires
- Individuals in the selection phase or who have terminated employment (if the breach is known at the selection phase or while in employment)
- Shareholders
- Persons with administrative, management, supervisory or representative functions

The protected subjects in the event of a report are:

- Whistleblower (a person who reports a wrongdoing through whistleblowing channels)
- Facilitator (natural person assisting the reporter in the reporting process, operating within the same work context and whose assistance must be kept confidential)
- Persons in the same employment context as the reporter, whistleblower or person making a public disclosure and who are related to them by a stable emotional or kinship link up to the fourth degree
- Work colleagues of the reporter, whistleblower or person making a public disclosure, who work in the same work environment as that person and who have a regular and ongoing relationship with that person

- Entities owned - exclusively or in majority by third parties - by the reporter, whistleblower or public discloser
- Entities where the reporter, whistleblower or person making a public disclosure works (Art. 3(5)(d))
- Entities operating in the same work environment as the reporter, whistleblower or person making a public disclosure.

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The Whistleblowing Office at Soluzioni Srls, via 1° Maggio 50, Ancona (AN) is responsible for *whistleblowing* reports and is therefore in charge of collecting *whistleblowing* reports, acknowledging receipt and following up on them, also carrying out the investigation of the same, while ensuring the confidentiality of any information relating to the *whistleblower*, the persons named in the report and the subject of the report, in order to prevent potential retaliatory acts of any kind. The Whistleblowing Office is also responsible for keeping the *whistleblower* updated on the progress of an internal investigation and providing feedback to the *whistleblower*; it is also responsible for *reporting* to the Company's senior management in accordance with the provisions of the Whistleblowing Policy. The Whistleblowing Office is equipped with the necessary whistleblowing management skills, including through dedicated training.

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Recipients are encouraged to report information, including well-founded suspicions, concerning actual or potential violations that have occurred or are very likely to occur within the Company's organisation and that concern actions or behaviour that are not in line with the Code of Ethics and Behaviour, the Model and the procedural documentation adopted by the Company.

Reports must be made disinterestedly and in good faith: reports made for the mere purpose of retaliation or intimidation, or unfounded reports made with malice or gross negligence, will be sanctioned.

In particular, the sending of any report that proves to be unfounded on the basis of objective elements and that is, again on the basis of objective elements, made with the sole purpose of causing unfair harm to the person reported shall be sanctioned.

The *whistleblowing* must not concern complaints, claims or requests relating to an interest of a personal nature (i.e., relating exclusively to the individual employment relationship of the *whistleblower* or the relationship with hierarchically superior figures) and must not be used for purely personal purposes.

The report must provide the elements that enable the Whistleblowing Office to carry out the necessary checks to assess its merits.

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The report must be submitted:

- by means of an online platform that allows reports to be sent electronically in fully confidential written form or, if deemed appropriate, in anonymous form, guaranteeing, also by means of encryption, the confidentiality of the reporter and the person involved, as well as the content of the report and the relevant documentation. The identity of the person making the report will only be known by those handling the report where he/she has given his/her consent to do so. The reporting person may at any time forward the report and follow its progress by connecting to the following address: https://soluzioni-azienda.trusty.report/.

- orally by means of a dedicated telephone number that will put the Whistleblower in direct contact with the Whistleblowing Office located at Soluzioni srls, via 1° Maggio 50, Ancona (AN) at the following number: 320.5311894

  The Oral Whistleblowing channel will be active from Monday to Friday from 10:00 a.m. to 12:00 noon and from 4:00 p.m. to 6:00 p.m., by requesting the Whistleblowing Office; except during holidays or weekdays, during which the online platform will still be active. All information exchanged in the course of telephone communication will remain absolutely confidential and any telephone number used by the Whistleblower will not be stored in the address book. This is without prejudice to the possibility of requesting a way of contacting the Whistleblower again if this is necessary for the proper investigation of the Report. The operator of the receiving Whistleblowing Office will draw up a record of the Report by telephone, filling in the appropriate Report form, and will record it in the confidential chronological register, held by the Office itself, indicating with a progressive number the Report received. This number will be communicated to the Whistleblower, who will be able to use the identification number whenever he/she wishes to communicate with the Whistleblowing Office in order to receive updates on the report. During the course of the telephone call, information will be communicated that is useful for the report to be taken into account as a *Whistleblowing* report, and a brief information notice on the processing of personal data will be read out, indicating the information needed to find the extended information notice. In the case of use of this Whistleblowing channel, the communication of receipt of the Report and taking charge of it, if compatible with the regulatory requirements, will take place at the time of the reply and with the drafting of the form.

The reporting party may also request a face-to-face meeting; in this case, the meeting will take place, guaranteeing the complete confidentiality of anything that may emerge during the meeting, at the offices of Società Soluzioni Srsl, with registered office in Ancona (AN), via 1° Maggio, n. 50, 60131

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A report submitted to a person other than the Whistleblowing Office must be forwarded immediately (within seven days) to the Whistleblowing Office, and the Whistleblower must be informed at the same time.

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Upon receipt of the Report, the Whistleblowing Office in charge:

- carries out a preliminary analysis of its contents (if necessary with the support of specialised external consultants) in order to assess its relevance in relation to the scope of application of the Whistleblowing Decree and, in general, of the Whistleblowing Procedure;
- close the Report if it considers that it is inadmissible by reason of the provisions of the Whistleblowing Decree and the Whistleblowing Procedure.

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The Whistleblowing Office, in order to assess a Whistleblowing Report, may carry out the necessary internal investigations either directly or by appointing - subject to the obligation of confidentiality - a person internal or external to the Company.

The evidence gathered during internal investigations is analysed in order to understand the context of the Whistleblowing, to establish whether a breach relevant under the Whistleblowing Procedure and/or Legislative Decree 24/23 has actually occurred, and to identify disciplinary measures, measures to remedy the situation that has arisen and/or to prevent such a situation from recurring in the future.

In addition, where a violation has been established, the Whistleblowing Office will proceed to communicate the findings to the Management or to any delegated offices, so that they may proceed with the appropriate investigations.

As a result of the preliminary activity:

- if manifestly unfounded elements are found, the report will be dismissed with adequate justification, notifying the person making the report;
- if the report appears to be well-founded, the persons, internal or external, to whom the report is to be forwarded will be identified, for the relevant investigations, the necessary further checks and the possible adoption of any measures.

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TGK guarantees the utmost **confidentiality** on the identity of the reporter, of the subject involved and of the subjects otherwise indicated in the report, as well as on the content of the report and of the relevant documentation, using, to this end, communication criteria and methods suitable to protect the identity and integrity of the aforesaid subjects, also in order to guarantee that the reporter is not subject to any form of retaliation and/or discrimination, avoiding in any case the communication of data to third parties not involved in the report management process.

Bona fide whistleblowers must be protected against any form of retaliation, discrimination or penalisation, without prejudice to any other form of protection provided by law.

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The whistleblower may also make an external report ('**External Report**') to the ANAC (National Anti-Corruption Authority) through the channels specifically set up by the latter, accessible at https://whistleblowing.anticorruzione.it/#/.

ANAC must ensure the utmost confidentiality of the identity of the whistleblower, the person involved and the person otherwise mentioned in the report, as well as the content of the report and the related documentation.

It should be noted that recourse to the External Reporting channel set up at the ANAC can only take place if:

1) the internal reporting channel indicated in the *Whistleblowing* Procedure is not active;
2) the *whistleblower* has already made a report to the channel indicated in the *Whistleblowing* Procedure and the report has not been followed up;
3) the whistleblower has reasonable grounds to believe that, if he or she were to make an internal report through the channel provided for in this Procedure, the report would not be followed up or the report could give rise to the risk of retaliation;
4) the Whistleblower has good reason to believe that the breach to be reported may constitute an imminent or obvious danger to the public interest. Please refer to the guidelines and the official ANAC website for the use of this external reporting channel or for public disclosure.

8. TRAINING, COMMUNICATION AND UPDATING

8.1 TRAINING

In order to effectively implement the Model, the Personnel Department , in coordination with the Supervisory Board, prepares, on the basis of the concrete needs identified by the Supervisory Board, an annual training plan for directors, managers, employees and collaborators working directly within the Company structure.

In particular, the training activity will concern, inter alia, the Model as a whole, the Code of Ethics and Behaviour, the functioning of the Supervisory Board, the information flows to the latter and the Disciplinary System, the Company's operating procedures relevant to the Model, as well as issues concerning the offences for which liability is applicable pursuant to Legislative Decree No. 231/2001.

The training activity will be modulated, where necessary, in order to provide its users with the appropriate tools for full compliance with the provisions of the Decree in relation to the scope of operations and the tasks of the recipients of the training activity.

Training activities are differentiated, in terms of content and delivery methods, according to the qualification of the recipients, the risk level of the area in which they operate, and whether or not they have a representative function in the Company.

Training activities are managed by the Personnel Department, in close cooperation with the Supervisory Board.

When hiring employees and appointing staff and agents, they shall be given an information *set* to ensure that they have the primary knowledge considered essential to operate within the Company (see the following paragraphs).

The content of the courses must be agreed in advance with the Supervisory Board, which, for this purpose, within the scope of its activity, may and must indicate the subjects and topics that should be dealt with and explored in greater depth, or on which it is necessary to draw the attention of the Company Representatives.

The Supervisory Board verifies, in agreement with the Personnel Department, that the training programme is adequate and effectively implemented. Training initiatives may also take place remotely or through the use of IT systems.

Appropriate communication tools, if necessary in addition to the sending of updates by *e-mail*, will be adopted to update the Addressees on any changes made to the Model, as well as any relevant procedural, regulatory or organisational changes

Participation in training is compulsory for all employees, collaborators and non-employee directors of the Company and is recorded by the Personnel Department, which keeps track of it: repeated non-participation without a justified reason will be appropriately sanctioned.

The Model is formally communicated in the manner described below.

8.2 INWARD COMMUNICATION

Every director, manager, employee and collaborator of the Company is required to

i. acquire awareness of the contents of the Model;

ii. know the operational modalities by which their activities must be carried out;

iii. contribute actively, in relation to their role and responsibilities, to the effective implementation of the Model, reporting any shortcomings found in it.

In order to guarantee an effective and rational communication activity, the Company promotes and facilitates the knowledge of the contents of the Model on the part of the Employees, with a different degree of in-depth

analysis depending on the degree of involvement in sensitive activities, as identified in the Special Parts of the Model.

Information on the content of the Model is ensured through:

- delivery or, in any case, making available the Model and its annexes, including the Code of Ethics and Behaviour, at the time of the appointment/conferral of the appointment, also by electronic means;
- informative *e-mails*, also for the purpose of sending periodic updates of the Model.

The Personnel Department is responsible for the dissemination of the Model and its updates. In particular, the aforesaid function takes care of forwarding the documentation to the addressees by e-mail and receives through the same channel from each addressee the relevant acknowledgement of receipt. The Supervisory Board verifies that the competent functions ensure the proper dissemination of the Model and its updates.

All directors, managers, employees and collaborators are required to complete a declaration in which they, having taken note of the Model, undertake to comply with its provisions .

8.3 OUTWARD COMMUNICATION

The adoption of the Model is also communicated and disseminated to Outside Parties.

The communication and formal commitment by the aforementioned External Parties to the Company to comply with the principles of the Code of Ethics and Conduct and this Model are documented through the preparation of specific declarations or contractual clauses duly submitted to and accepted by the counterparty.

In particular, all relevant corporate functions must ensure that standardised clauses are included in the contracts concluded for this purpose:

- compliance by counterparties with the ethical and behavioural principles adopted by the Company;
- the possibility for the Company to make use of control actions in order to verify compliance with the principles of ethics and conduct adopted by the Company;
- the inclusion of sanction mechanisms (termination of the contract) in the event of the commission of offences pursuant to Legislative Decree 231/2001 or violation of the principles of ethics and conduct adopted by the Company.

Contracts with external collaborators must contain a clause regulating the consequences of their violation of the principles contained in the Code of Ethics and Conduct and the Model.

The corporate structures that make use of the External Parties or that are designated as being in charge of the process in which the activity falls shall record the data and information that make it possible to know and assess their conduct, making them available, where requested, to the Supervisory Board for the purpose of carrying out its control activities.

Outside parties must be made aware of the Code of Ethics and Conduct (e.g. by publication on the company website).

The Supervisory Board provides support to the other corporate functions, when information on the Model has to be provided outside the Company.

9. DISCIPLINARY SYSTEM

9.1 GENERAL PRINCIPLES

Article 6(2)(e) and Article 7(4)(b) of Legislative Decree No. 231/2001 lay down (with reference both to persons in senior positions and to persons subject to the direction of others) the need to set up *'a disciplinary system capable of penalising non-compliance with the measures indicated in the model'*.

It represents an essential aspect for the effectiveness of the Model and consists of the construction of an adequate system of sanctions for the violation of rules of conduct and, in general, of internal procedures (disciplinary offence).

The application of the disciplinary system presupposes the simple violation of the rules and provisions contained in the Model, including the prescriptions contained in the Code of Ethics and Behaviour, as well as the procedures, *policies* and internal regulations, in addition to the provisions of the law, regulations and the CCNL; therefore, it will be activated regardless of the commission of an offence and the outcome of any criminal trial initiated by the competent judicial authority.

9.2 CRITERIA FOR THE APPLICATION OF SANCTIONS

In individual cases, the type and extent of specific sanctions will be applied in proportion to the seriousness of the misconduct and, in any case, according to the general criteria described below:

a. subjective element of the conduct, depending on malice or negligence (negligence, imprudence, inexperience);

b. relevance of the breached obligations;

c. relevance of the damage or degree of danger to the Company from the possible application of the sanctions provided for in Legislative Decree No. 231/2001;

d. level of hierarchical and/or technical responsibility;

e. presence of aggravating or mitigating circumstances with particular regard to previous work performance and disciplinary record;

f. possible sharing of responsibility with other workers who contributed to the failure.

Where several infringements, punishable by different penalties, are committed in a single act, the more serious penalty shall apply.

9.3 SCOPE AND RELEVANT CONDUCT

9.3.1 Employees of the Company

Non-management employees

Without prejudice to the prior notification and the procedure prescribed by Article 7 of Law No. 300 of 20 May 1970 (the so-called Workers' Statute) - for the purposes of which this "disciplinary system" is also made available in a place/way accessible to all -, the disciplinary sanctions set out *below* shall be applied against employees of the Company (non-managers) who engage in the following conduct:

a. the adoption of direct or indirect retaliatory or discriminatory acts against the person who has made a report pursuant to paragraph 7 above, for reasons directly or indirectly connected with the report; as well as hindering or attempting to hinder the report; as well as the breach of the obligation of confidentiality set out in Article 12 of Legislative Decree no. Legislative Decree 24/2023.

b. the making, with wilful misconduct or gross negligence, of reports pursuant to paragraph 7 above, which turned out to be unfounded;

c. the lack of, incomplete or untrue representation of the activity carried out with regard to the manner in which the documents relating to the procedures are documented, stored and controlled in such a way as to prevent the transparency and verifiability thereof;

d. violation and/or circumvention of the control system, effected by removing, destroying or altering the documentation of the procedure or by preventing control or access to information and documentation by the persons in charge, including the Supervisory Board;

e. non-compliance with the provisions contained in the Model, including those set out in the Code of Ethics and Behaviour;

f. non-compliance with the provisions on signatory powers and the system of delegated powers, especially in relation to related risks, including those related to corporate offences (especially the provisions on matching), with regard to acts and documents towards the Public Administration and with regard to powers related to occupational health and safety;

g. failure to supervise the conduct of personnel operating within their sphere of responsibility in order to verify their actions in the areas at risk of offences and, in any case, in the performance of activities instrumental to operational processes at risk of offences;

h. breach of the obligation to attend training courses (including on health and safety) provided by the Company, in the absence of appropriate justification;

i. violation of internal company regulations and procedures requiring the adoption of safety and prevention measures;

j. breach of the obligation to report to the Supervisory Board in relation to any violation of the Model of which it has become aware .

Executive employees

Without prejudice to the prior notification and the procedure prescribed by Article 7 of Law No. 300 of 20 May 1970 (the so-called Workers' Statute) - for the purposes of which this "disciplinary system" is also posted in a place accessible to all -, disciplinary sanctions shall be applied against Company employees (managers) who engage in **the conduct set out in points a) to j) of the preceding paragraph as well as** the following additional specific conduct

k. engaging, in the performance of their duties, in conduct that does not conform to conduct reasonably expected of a manager, in relation to the role held and the degree of autonomy recognised;

l. breach of the obligation to report to the Supervisory Board any anomalies or failures to comply with the Model, as well as any criticalities of which the manager has become aware relating to the performance of activities in the areas at risk by the persons in charge thereof.

9.3.2 Directors of the Company and the Sole Auditor

The sanctions set out *below* apply to directors and the Single Statutory Auditor who engage in the following conduct:

a. non-compliance with the prescriptions contained in the Model and the Code of Ethics and Behaviour, or conduct that does not comply with the Model;

b. breach of the duty of supervision and control over subordinates (in relation to members of the Board of Directors);

c. delay in taking measures following reports of violations of the Model received by the Supervisory Board.

9.3.3 Third parties

The measures set out *below* apply to third parties, meaning all persons who, for whatever reason, have relations with the Company and other than employees and directors (by way of example, collaborators, external consultants, suppliers), who engage in the following conduct:

a. non-compliance with the prescriptions contained in the Code of Ethics and Behaviour in the provisions of the Model applicable to them;

b. commission of relevant offences pursuant to Legislative Decree 231/2001.

9.4 PROCEDURE FOR THE ESTABLISHMENT OF VIOLATIONS AND APPLICATION OF SANCTIONS

Upon receiving notice of any breach of the Model that does not involve the Board of Directors, the Supervisory Board shall inform the latter, which shall be obliged to initiate the relevant disciplinary proceedings, availing itself of the technical support of the competent corporate structures.

In the event that, following the checks and inspections carried out, a breach of the Model is ascertained, the author(s) of the breach(s) shall be subject to the sanctions provided for in the applicable national collective agreements by the Board of Directors or the Personnel Department, in compliance with the guarantees provided for by the law and collective agreements.

In the event of a breach of the Model by one or more of the Company's Directors, the Supervisory Board shall promptly inform the Chairman of the Board of Directors (if the Chairman of the Board is not involved) or the Board of Directors (if the Chairman of the Board is involved) and the Single Statutory Auditor. If the breach is committed by the Board of Directors as a whole or by a number of directors, the Supervisory Board shall promptly inform the Sole Auditor. Once the necessary investigations have been carried out, the Board of Directors shall, after consulting the Sole Auditor, take the measures deemed appropriate.

In order to allow monitoring of the application of disciplinary sanctions to employees, the Personnel Department informs the Supervisory Board of the application of such sanctions.

9.5 SANCTIONS

Sanctions against employees

Disciplinary sanctions are applicable against employees (including managers) who have engaged in the conduct described above in violation of the rules and principles set out in this Model:

- by Article 7 of the Law of 30 May 1970 - Workers' Statute and its additions and amendments;
- by the applicable articles of the Civil Code (e.g. Article 2106 of the Civil Code);
- any other special regulations applicable;
- by the applicable CCNL.

With regard to executives, without prejudice to the above and in compliance with the applicable legal and contractual requirements, the degree of intensity of the breach and the level of trust that may remain after the breach will be taken into account when assessing the type of sanction to be applied.

In particular, the disciplinary sanctions that may be imposed in application of the criteria identified above are as follows:

- verbal reprimand;
- written blame;
- fine not exceeding four hours' hourly pay;

- suspension from work and pay up to a maximum of ten days;
- dismissal with notice;
- dismissal without notice.

It is the responsibility of the Personnel Department to manage the formal and communication process relating to the imposition of sanctions under this Model.

The Personnel Department reports to the Supervisory Board on the application of disciplinary sanctions issued. The Supervisory Board monitors the application of disciplinary sanctions.

Measures against directors and auditors

Sanctions are applicable to directors who have engaged in the conduct referred to in the preceding paragraphs in violation of the rules and principles set out in this Model:

- of written censure;
- in the case of members of the Board of Directors of the Company, the revocation of the delegation and/or office;
- in the case of the Single Statutory Auditor, removal from office.

Violations committed by directors or auditors may also give rise to liability action, if the conditions provided for by law are met.

Violation of the Model by directors must be reported to the Supervisory Board without delay by the person who detects it.

Measures against third parties

The conduct referred to in the preceding paragraphs on the part of third parties as identified above shall constitute a breach of contractual obligation with the Company and may give rise to termination of the contractual relationship in accordance with the provisions of the individual agreements.

Violation of the provisions of the Model by third parties entails the prohibition of new contractual relations with the Company for a period of two years, except in the case of justified exceptions communicated by the Managing Directors to the Supervisory Board.