



## **Organisation, management and control model (ex D.Lgs. 231/2001 e s.m.i.)**

### **GENERAL PART**

Approved by the Board of Directors of AVIO S.p.A.

- 1st Edition March 2004: Resolution of 29 March 2004
- 2nd Edition September 2008: Resolution of 23 September 2008
- 3rd Edition October 2011: Resolution of 26 October 2011
- 4th Edition March 2012: Resolution of 28 March 2012
- 5th Edition August 2013: Resolution of 08 August 2013
- 6th Edition May 2014: Resolution of 24 October 2014
- 7th Edition October 2015: Resolution of 31 March 2016
- 8th Edition June 2017: Resolution of 28 June 2017
- 9th Edition November 2018: Resolution of 8 November 2018
- 10th Edition May 2019: Resolution of 13 May 2019
- 11th Edition September 2020: Resolution of 14 September 2020

- 12th Edition May 2021: Resolution of 11 May 2021
- 13th Edition September 2022: Resolution of 9 September 2022
- 14th Edition June 2023: Resolution of 20 June 2023
- 15th Edition December 2023: Resolution of 21 December 2023
- 16th Edition January 2025: Resolution of 28 January 2025

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### GENERAL PART

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## Definitions

- "CEO or CEO" or "CEO and General Manager": Chief Executive Officer of the company or Chief Executive Officer and General Manager of the company;
- "AVIO" or "Company" or "Parent Company": Avio S.p.A.;
- "CCNL": National Collective Labour Agreement currently in force and applied by AVIO, both with reference to the CCNL for employees in the private metalworking and plant installation industry, and to the CCNL for employees in the chemical, chemical, pharmaceutical, chemical fibres and ceramics, abrasives, lubricants and LPG industries;
- "Corporate Governance Code": code adopted by listed companies, approved, in its latest version, in January 2020, by the Corporate Governance Committee set up by the Business Associations (ABI, ANIA, Assosim and Confindustria) and professional investors (Assogestione) and by Borsa Italiana S.p.A.;
- "Code of Ethics": code of ethics in the pro tempore version adopted by AVIO and the AVIO Group;
- "Consultants": those who act in the name and/or on behalf of AVIO on the basis of a mandate or other collaborative relationship;
- "DDL": Employer pursuant to Legislative Decree 81/2008;
- "Recipients": the Employees, the Corporate Bodies, the Consultants, the *Service Companies* and the *Partners* of the Company;
- "Employee" or "Employees": all employees of AVIO (including managers);
- "Legislative Decree 231/2001" or "Decree 231": Legislative Decree No. 231 of 8 June 2001 and subsequent amendments and additions;
- "Suppliers": all subjects who supply or have supplied AVIO or the companies of the Group with goods and services;
- "Group" or "AVIO Group": AVIO S.p.A. and its subsidiaries pursuant to Article 2359, first and second paragraphs, of the Italian Civil Code and Article 93 of the TUF;
- "Inside Information" or "Inside Information": information(s) that meets the requirements of art. 181 of the TUF and art. 7 of the MAR, as better specified in Special Part 11 of this Model;
- "Guidelines": the Guidelines for the construction of organisation, management and control models *pursuant* to Legislative Decree 231/2001 approved by Confindustria on 7 March 2002 and subsequent updates;
- "MAR": Regulation (EU) No 596/2014 on market abuse and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC;

- "Models" or "Model": the models or the organisational, management and control model provided for by Article 6 of Legislative Decree 231/2001 or, as the case may be, the model(s) adopted by AVIO and its subsidiaries;
- "Sensitive Transaction" or "Sensitive Transaction": transaction(s) or act(s) that falls within the scope of Sensitive Processes and that may/may be of a commercial, financial, technical-political or corporate lobby nature (as regards the latter category, examples are: capital reductions, mergers, demergers, transactions on the shares of the parent company, contributions, returns to shareholders, etc.);
- "Corporate Bodies": the Board of Directors and the Board of Statutory Auditors of AVIO;
- "Supervisory Body" or "SB": the body responsible for supervising the operation and compliance with the Model pursuant to Legislative Decree 231/2001 or the supervisory body of AVIO;
- "PA": the Italian and/or foreign Public Administration, including its officials and persons in charge of public services;
- "Related Parties": all persons who have a relationship with Avio that can be traced back to one of the categories listed in Annex I to the Related Parties Regulation;
- "*Partners*": contractual counterparties of AVIO, such as suppliers, agents, *Business Partners*, both natural and legal persons, with whom the Company enters into any form of contractually regulated collaboration (purchase and sale of goods and services, Temporary Business Association, *joint ventures*, consortia, etc.), where intended to cooperate with the company in the context of Sensitive Processes;
- "Sensitive Process" or "Sensitive Processes": AVIO's activities in which there is a risk of committing crimes;
- "Informed Persons": all persons (natural and legal persons) who, by reason of their work or professional activity, or by reason of the functions performed, have access, on a regular or occasional basis, to Inside Information relating to the Company;
- "Offence" or "Offences": the individual offence or offences to which the discipline provided for by Legislative Decree 231/2001 and subsequent amendments and additions applies;
- "Information Referent": the Avio contact person in charge of the dissemination of regulated information and recipient of requests for information pursuant to art. 2.6.1 of the Market Regulations;
- "Register of Informed Persons": computer database established by the Company pursuant to art. 115 bis TUF indicating the name or company name of the Informed Persons and divided into a "Permanent" Section and an "Occasional" Section;
- "Market Regulations": regulations of the markets organised and managed by Borsa Italiana S.p.A., resolved by the Board of Directors of Borsa Italiana in July 2016 and approved by Consob with resolution no. 19704 of 3 August 2016;

- "Related Parties Regulation": Regulation containing provisions on transactions with related parties adopted by Consob with resolution no. 17221 of 12 March 2010, as subsequently amended;
- "RLS": Workers' Safety Representative pursuant to Legislative Decree 81/2008;
- "RSPP": Head of the Prevention and Protection Service pursuant to Legislative Decree 81/2008;
- "Responsible Person": the person or body of the Company responsible, on the basis of functional powers and/or organisational provisions, for identifying the Related Parties, their registration in the Register of Related Parties and for keeping the Register;
- "Internal Control System" or "ICS": the set of rules, standards, procedures, manuals, operating instructions, guidelines, policies, regulations adopted by the Company and the Group, including all company management systems (ISO 9001-9100 quality management system, ISO 45001 safety management system, ISO 14001 environmental management system, management control and reporting system, administrative, accounting and financial system, industrial safety management system, etc.), this Model, the Code of Ethics and any other applicable internal rules;
- "14001 Management System": Management system adopted by the Company in accordance with the UNI EN ISO 14001 standard;
- "45001 Management System": Occupational health and safety management system adopted by the Company in accordance with the UNI ISO 45001:2018 standard;
- "27002 Management System" means a management system adopted by the Company in accordance with ISO 27002;
- "*Service Company*": Third-party companies that carry out service activities in favour of AVIO or other companies of the Group;
- "SRNI": National Business Register Service;
- "OSH": Safety at Work;
- "TUF": Legislative Decree no. 58 of 24 February 1998 "Consolidated Law on Financial Intermediation", as subsequently amended;
- "TULPS": Consolidated Law on Public Security, Royal Decree no. 773 of 18 June 1931.

## 1. Legislative Decree no. 231/2001 and the relevant legislation

On 8 June 2001, in execution of the delegation referred to in art. 11 of Law no. 300 of 29 September 2000, Legislative Decree 231/2001, which came into force on 4 July 2001, which intended to adapt the domestic legislation on the liability of legal persons to some international conventions to which Italy has already adhered for some time.

Legislative Decree 231/2001, containing the "Discipline of the administrative liability of legal persons, companies and associations, including those without legal personality", introduced for the first time in Italy the criminal liability of entities for certain crimes committed, in the interest or to the advantage of the same, by persons who hold representation, administration or management functions of the entity or of one of its organizational units with financial autonomy and functional function, as well as by persons who exercise, even de facto, the management and control of the same and, finally, by persons subject to the management or supervision of one of the above-mentioned subjects. This liability is in addition to that of the natural person who materially carried out the act.

The new liability introduced by Legislative Decree 231/2001 aims to involve in the punishment of certain criminal offences, the assets of entities that have derived an interest or advantage from the commission of the offence. For all offences committed, a financial penalty is always applied; for the most serious cases, there are also disqualification measures such as the suspension or revocation of licenses and concessions, the prohibition of contracting with the Public Administration, the prohibition from exercising the activity, the exclusion or revocation of funding and contributions, the prohibition of advertising goods and services.

The liability provided for by Legislative Decree 231/2001 also arises in relation to crimes committed abroad, provided that the State of the place where the crime was committed does not proceed for them.

Legislative Decree no. 231/2001 provides, in arts. 6 and 7, a form of exemption from liability if the company demonstrates that it has adopted and effectively implemented a Model suitable for preventing the commission of the Predicate Offences.

This Model must meet the following requirements:

- identify the activities in which there is the possibility of committing crimes;
- provide for specific protocols aimed at planning the formation and implementation of the company's decisions in relation to the crimes to be prevented;
- identify methods of managing financial resources suitable for preventing the commission of crimes;
- provide for information obligations towards the body responsible for supervising the operation and compliance with the Model;
- introduce a private disciplinary system suitable for sanctioning non-compliance with the measures indicated in the Model.

Legislative Decree no. 231/2001 also provides, in order to allow the existence of the exemption in question, that:

1. the company has set up an internal control body within the entity with the task of supervising the functioning, effectiveness and compliance with the Model as well as ensuring that it is updated;



2. the Control Body is not guilty of omitted or insufficient supervision of the implementation and compliance with the Model;
3. the company has set up a system for periodic verification and possible updating of the Model;
4. the offender has acted by fraudulently circumventing the provisions of the Model.

As for the offences to which the discipline in question applies, these are currently the following types provided for by Legislative Decree 231/2001:

- Offences committed in relations with the Public Administration (Articles 24 and 25);
- Computer crimes and unlawful data processing (art. 24 *bis*);
- Crimes of organized crime (art. 24 *ter*);
- Offences relating to counterfeiting of coins, public credit cards, revenue stamps and identification instruments or signs (Article 25 *bis*);
- Crimes against industry and commerce (art. 25 *bis.1*);
- Corporate crimes, including the crime of corruption between private individuals and (art. 25 *ter*);
- Crimes with the purpose of terrorism or subversion of the democratic order (art. 25 *quarter*),
- Crimes related to "crimes" against the individual personality (Articles 25 *quarter 1* and *quinquies*);
- Offences and administrative offences of market abuse (Article 25 *sexies*);
- Crimes of manslaughter or serious or very serious injuries committed with violation of the rules on the protection of health and safety at work (art. 25 *septies*);
- Offences of receiving stolen goods, money laundering and use of money, goods or utilities of illegal origin, as well as self-laundering (Article 25 *octies*);
- Offences relating to non-cash payment instruments and fraudulent transfer of valuables (Article 25 *octies.1*);
- Offences relating to copyright infringement (Article 25 *novies*);
- Crime of inducement not to make declarations or to make false declarations to the Judicial Authority (art. 25 *decies*);
- Environmental crimes (art. 25 *undecies*);
- Transactional crimes (Law no. 146 of 16 March 2006);
- Offence of employment of illegally staying third-country nationals (Article 25k);
- Crimes of racism and xenophobia (art. 25 *lterdecies*);
- Offences of fraud in sports competitions, abusive exercise of gaming or betting and games of chance exercised by means of prohibited machines (Article 25 *quaterdecies*);
- Reati tributari (art. 25 *quinguesdecies*);

- Smuggling offences (Article 25 *sexiesdecies*);
- Crimes against cultural heritage (art. 25 *septies decies*);
- Laundering of cultural property and devastation and looting of cultural and landscape property (Art. 25 *duodevicies*).

Please refer to the individual Special Parts of this Model for an analytical description of the individual types of Crime.

## 2. The Confindustria Guidelines

Legislative Decree 231/2001 provides that the Model may be adopted, guaranteeing the requirements indicated in the previous paragraph, on the basis of codes of conduct drawn up by representative trade associations and communicated to the Ministry of Justice.

On 7 March 2002, Confindustria approved the first edition of its "Guidelines for the construction of Models *pursuant* to Legislative Decree no. 231/2001". These Guidelines have been subject to subsequent updates also as a result of the expansion of the categories of Crimes. The Guidelines were last updated in June 2021.

Since the Parent Company is a member of Confindustria, in the preparation of its Model and subsequent updates, it was inspired by the Guidelines issued by Confindustria itself, inviting the Italian companies of the Group to follow the same principles defined by these Guidelines and which are briefly reported below.

The elements that the Guidelines identify as fundamental in the construction of the Models can be schematized as follows:

- identification of areas at risk, aimed at verifying in which area/company sector it is possible to commit crimes;
- preparation of a control system capable of preventing risks through the adoption of appropriate procedures;
- provision of information obligations for the Supervisory Body.

The most relevant components of the preventive control system designed by Confindustria for "intentional" crimes are:

- code of ethics,
- organizational system,
- manual and computer procedures,
- authorization and signature powers,
- integrated control systems,
- communication to staff and their training.

The most relevant components of the preventive control system designed by Confindustria for "culpable" crimes are:

- code of ethics,
- organisational structure (in terms of health and safety at work),
- education and training,
- communication and involvement,
- operational management,
- safety monitoring system.

These components must be guided by the following principles:

- verifiability, documentability, consistency and congruence of each operation;
- application of the principle of separation of functions (no one can manage an entire process independently);
- documentation of controls;
- provision of an adequate sanctioning system for the violation of the rules of the code of ethics and the procedures provided for by the Model;
- identification of the requirements of the Supervisory Body, which can be summarised as follows:
  - autonomy and independence,
  - professionalism
  - continuity of action;
- information obligations to the Supervisory Body.
- possibility, within corporate groups, of organisational solutions that centralise the functions provided for by Legislative Decree 231/2001 at the parent company, provided that the following conditions are met:
  - in each subsidiary its own Supervisory Body is established with all the related attributions of competences and responsibilities (without prejudice to the possibility of assigning this function directly to the management body of the subsidiary, if small);
  - the Supervisory Body established at the subsidiary may make use, in carrying out the task of supervising the operation and compliance with the model, of the resources allocated to the similar body of the Parent Company, on the basis of a predefined contractual relationship with the same;
  - the employees of the Parent Company's Supervisory Body, in carrying out checks at other group companies, assume the role of external professionals who carry out their activities in the interest of the subsidiary, reporting directly to the latter's Supervisory Body, subject to the confidentiality of an external consultant.

In order to provide a useful and adequate tool for evolving legislation, the Guidelines are constantly being updated.

It is understood that the decision not to adapt the Model to some of the indications set out in the Guidelines does not affect its validity. The individual Model, in fact, having to be drawn up with reference to the concrete reality of the Company, may well deviate from the Guidelines which, by their nature, are of a general nature.

### 3. The Company's Code of Ethics

The rules of conduct contained in this Model are consistent with those of the Code of Ethics adopted by the AVIO Group, although this Model has specific purposes in compliance with Legislative Decree 231/2001.

From this point of view, in fact:

- the Code of Ethics is an instrument adopted independently and capable of general application by the Group companies in order to express the principles of "corporate ethics" that the Group recognises as its own and on which it calls for compliance by all Employees, Corporate Bodies, Consultants, Suppliers, *Partners* and *Service Companies*;
- the Model, on the other hand, responds to specific requirements contained in Legislative Decree 231/2001, aimed at preventing the commission of particular types of offences by laying down rules and providing for principles that must be respected in order for the Company to benefit from the exemption referred to in Legislative Decree 231/2001.

## 4. The AVIO Model

### 4.1. AVIO's *Corporate Governance* system

The Company has structured its *Corporate Governance system* according to the traditional administration and control model and consists of the following bodies: Shareholders' Meeting, Board of Directors and Board of Statutory Auditors. AVIO's governance is also composed of the following committees within the Board of Directors, such as: (i) the Control and Risk Committee; (ii) the Sustainability Committee; (iii) the Nomination and Compensation Committee. The accounting control is delegated, in application of the relevant regulatory provisions in force, to an auditing firm registered in the special register kept by Consob<sup>1</sup>.

### 4.2. The Adoption of the Model by AVIO

AVIO has launched, following the issuance of Legislative Decree 231/2001, an internal project aimed at ensuring the preparation of the Model referred to in art. 6 of Legislative Decree 231/2001.

Although the adoption of this Model was an option and not an obligation for AVIO, AVIO has decided in any case to proceed with its adoption (before its listing), as it is aware that this system represents an opportunity to improve its *Corporate Governance*, while taking the opportunity of the activity carried out (inventory of Sensitive Processes, analysis of potential risks, evaluation and adaptation of the system of controls already existing on Sensitive Processes) to raise awareness among the resources employed with respect to the issues of control of business processes, aimed at an "active" prevention of crimes.

The adoption of the Model, in fact, is an obligation only for listed companies pursuant to the Market Regulations, which included the adoption of the Model among the corporate governance requirements for obtaining STAR qualification.

### 4.3. The construction of the AVIO Model

The phases in which the work of identifying the areas at risk was divided are briefly described below, on the basis of which the initial preparation and subsequent updates of this Model were then given.

The initial preparation of the Model and subsequent updates to it was preceded by a series of preparatory activities, divided into different phases described below, all aimed at building an adequate risk prevention and management system inspired not only by the rules contained in Legislative Decree 231/2001, but also by the contents and suggestions dictated by the Guidelines and company *best practices*.

#### 1) Identification of Sensitive Processes ("*as-is analysis*")

This phase was implemented through the prior examination of the company documentation (Model and supporting documentation for its implementation, organization charts, function charts, activities carried out, main processes, minutes of the Boards of Directors, powers of attorney, organizational provisions, *service* contracts, risk assessment document *ex* Legislative

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<sup>1</sup> For a more in-depth description of the following topics, please refer to the "Report on Corporate Governance and Ownership Structure" issued pursuant to Articles 123-bis of the TUF and 89-bis of the Consob Issuers' Regulation.

Decree 81/2008, etc.) and a series of interviews with all the key players within the company structure, aimed at in-depth analysis of the Sensitive Processes and the control over them (existing procedures, verifiability, documentability, congruence and consistency of operations, separation of responsibilities, documentability of controls, etc.).

The objective of this phase was the reanalysis of the business context, in order to identify in which area/sector of activity and in what way the crimes could be committed. A representation of the Sensitive Processes, the already existing controls and the related criticalities was obtained, with particular "*focus*" on the elements of "*compliance*" and control specific to meet the requirements of the Model. The AVIO Sensitive Processes are those described in paragraph 6 below.

## **2) Carrying out the "*gap analysis*"**

On the basis of the situation identified (existing controls and procedures in relation to Sensitive Processes), and the provisions and purposes of Legislative Decree 231/2001, actions have been identified that integrate the Internal Control System and improve the essential organisational requirements for the definition of a "*specific*" organisation, management and control model pursuant to Legislative Decree 231/2001.

The results of the activities of identification of Sensitive Processes ("*as-is analysis*") and of carrying out the "*gap analysis*", have been highlighted in a summary document that describes:

- Sensitive Trials detected by category of crime;
- Sensitive Transactions detected and the company functions involved;
- the controls already in place and the gaps detected with respect to the reference control standards (defined in the preparation of the Model in accordance with the provisions of Legislative Decree 231/2001 and the Guidelines").

All documents examined and/or drawn up during the identification of Sensitive Processes and the performance of "*gap analyses*" are annexes to the Model.

## **3) Preparation of the 16th Edition Model**

This Model consists of a "General Part", containing the set of rules and general principles dictated by the Model, and individual "Special Parts" prepared for the different categories of offences contemplated in Legislative Decree 231/2001 for which sensitivity has been detected:

- Special Part no. 1: "Crimes in relations with the Public Administration, Crimes against the administration of justice and Crimes of organized crime" which applies to the specific types of crimes provided for pursuant to art. 24-25 (crimes in relations with the Public Administration), 25 decies (crime of inducement not to make statements or to make false statements to the judicial authority) and 24 ter (crimes of organized crime) of Legislative Decree 231/2001.
- Special Part no. 2: "Corporate Crimes" which applies to the specific types of crimes provided for pursuant to art. 25 *ter* of Legislative Decree 231/2001.
- Special Part no. 2 *bis*: "Crimes of corruption between private individuals" which applies to the specific type of crime provided for pursuant to art. 25 *ter* of Legislative Decree 231/2001.

- Special Part no. 3: "Crimes with the purpose of terrorism or subversion of the democratic order" which applies to the specific types of crimes provided for pursuant to art. 25 *quarter* of Legislative Decree 231/2001.
- Special Part no. 4: "Crimes against the individual personality and Crimes in the field of immigration and the condition of the foreigner" which applies to the specific types of crimes provided for pursuant to articles 25 *quarter* 1 - 25 *quinquies* (crimes against the individual personality) and 25 *duodecies* (crime of employment of illegally staying third-country nationals) of Legislative Decree 231/2001.
- Special Part no. 5: "Transnational crimes" which applies to the specific types of crimes provided for pursuant to Law no. 146 of 16 March 2006.
- Special Part no. 6: "Crimes of manslaughter or serious or very serious injuries committed with violation of the rules on the protection of health and safety at work" which applies to the specific types of crimes provided for pursuant to art. 25 *septies* of Legislative Decree 231/2001.
- Special Part no. 7: "Environmental crimes" which applies to the specific types of crimes provided for pursuant to art. 25 *undecies* of Legislative Decree 231/2001.
- Special Part no. 8: "Crimes against industry and commerce and Crimes in the field of copyright infringement" which is applied to the specific types of crimes provided for respectively pursuant to art. 25 bis.1 and 25 *novies* of Legislative Decree 231/2001.
- Special Part no. 9: "Computer crimes and unlawful processing of data" which applies to the specific types of crimes provided for pursuant to art. 24 *bis* of Legislative Decree 231/2001.
- Special Part no. 9 *bis*: "Violation of the rules on the National Cyber Security Perimeter (art. 1, paragraph 11, Legislative Decree no. 105 of 21 September 2019)" which applies to the specific types of crimes provided for pursuant to art. 24 *bis* of Legislative Decree 231/2001, on the violation of the national cyber security perimeter.
- Special Part no. 10: "Offences of receiving stolen goods, money laundering and use of money, goods or utilities of illicit origin as well as self-laundering and offences relating to payment instruments other than cash and fraudulent transfer of valuables" which applies to the type of money laundering offences provided for pursuant to art. 25 *octies* of Legislative Decree 231/2001 and offences committed with means of payment other than cash pursuant to art. 25 *octies.1* of Legislative Decree 231/2001.
- Special Part no. 11: "Crimes and administrative offenses of market abuse" which applies to the specific category of crimes provided for pursuant to art. 25 *sexies* of Legislative Decree 231/2001.
- Special Part no. 12: "Tax crimes" which applies to the specific category of crimes provided for pursuant to art. 25 *quinquiesdecies* of Legislative Decree 231/2001.
- Special Part no. 13: "Smuggling offences" which applies to the specific category of offences provided for pursuant to art. 25 *sexiesdecies* of Legislative Decree 231/2001.

The individual Special Sections have the objective of ensuring that all Recipients, as far as they are concerned, adopt the rules of conduct provided for therein in order to prevent the occurrence of the Crimes considered in them.



In particular, the individual Special Parts have the function of:

- a. to detail the procedural principles that the Recipients, as far as their competence is concerned, are required to observe for the purposes of the correct application of the Model; and
- b. provide the Supervisory Body and the heads of the various corporate functions that cooperate with it with the executive tools to carry out the control, monitoring and verification activities envisaged by the Model.

Please refer to the individual Special Parts of this Model for an analytical description of the individual Sensitive Activities relating to each category of Crime.

#### 4.4. The Function of the Model

The adoption and effective implementation of the Model not only allow AVIO to benefit from the exemption provided for by Legislative Decree 231/2001 but also improves, within the limits provided for by the same, its Corporate Governance, limiting the risk of committing Crimes.

The purpose of the Model is, in fact, the preparation of a structured and organic system of control procedures and activities (preventive and *ex post*) that aims to reduce the risk of committing crimes through the identification of Sensitive Processes and their consequent proceduralization.

The principles contained in this Model must lead, on the one hand, to determining those acting on behalf of AVIO to refrain from committing unlawful conduct (the commission of which is strongly condemned and contrary to AVIO's interests, even when it could apparently derive an interest or advantage from it) also by directing their work, and on the other hand, thanks to constant monitoring of the activity, to allow AVIO to prevent or prevent the commission of Crimes by allowing it to be able to react promptly, including by disciplinary means, in the event of conduct that constitutes a violation thereof.

One of the purposes of the Model is, therefore, to develop awareness among Employees, Corporate Bodies, *Service Companies*, Consultants, Suppliers and *Partners*, who operate on behalf of or in the interest of the Company in the context of Sensitive Processes, of being able to incur, in the event of conduct that does not comply with the requirements of the Model, the Code of Ethics and other company rules and procedures (as well as the law), in offences liable to criminal consequences not only for themselves, but also for the Company.

In addition, it is intended to effectively censure any unlawful conduct through the constant activity of the Supervisory Body on the work of people with respect to Sensitive Processes and the imposition of disciplinary or contractual sanctions.

#### 4.5. Principles and inspiring elements of the Model

In the preparation of this Model and its subsequent updates, account has been taken of the existing procedures and control systems (detected in the "*as-is*" phase) that are already widely operating in the company, where they are deemed suitable also as measures for the prevention of crimes and control over Sensitive Processes.

This Model, without prejudice to its particular purpose described in paragraph 4.3 above and relating to Legislative Decree 231/2001, is part of the broader control system consisting mainly of the *rules of Corporate Governance* and the Internal Control System (ICS), as defined *below*.

In particular, as specific tools aimed at planning the formation and implementation of the Company's decisions also in relation to the crimes to be prevented, AVIO has identified the following:

- 1) "The guidelines for the Internal Control System" approved by the Company's Board of Directors;
- 2) the Internal Control System;
- 3) the corporate governance rules adopted in implementation of the Corporate Governance Code and the relevant corporate regulations;
- 4) the Code of Ethics in the *pro tempore* version;
- 5) the rules relating to the administrative, accounting, financial and *reporting system*;
- 6) communication to staff and their training;
- 7) the disciplinary system referred to in the CCNL;
- 8) in general, the applicable Italian and foreign legislation.

The principles, rules and procedures referred to in the tools listed above are not reported in detail in this Model, but are part of the organisation and control system that it intends to integrate and that all Recipients, in relation to the type of relationship in place with the Company, are required to know and respect.

The key principles on which the Model is inspired, in addition to the above, are:

- the Guidelines, on the basis of which the mapping of AVIO's Sensitive Processes has been prepared;
- the requirements indicated by Legislative Decree 231/2001 and in particular:
  - the attribution to an internal AVIO Supervisory Body of the task of promoting the effective and correct implementation of the Model also through the monitoring of corporate conduct and the right to constant information on the activities relevant for the purposes of Legislative Decree 231/2001;
  - the provision of adequate resources to the SB to support it in the tasks entrusted to it and to achieve reasonably achievable results;
  - the activity of verifying the functioning of the Model with consequent periodic updating (*ex-post control*);
  - the activity of raising awareness and disseminating, to all the Recipients of this Model, the rules of conduct, the procedures established, the guidelines and the company policies;
- the general principles of an adequate internal control system and in particular:
  - the verifiability and documentability of each transaction relevant for the purposes of Legislative Decree 231/2001;
  - compliance with the principle of separation of duties;
  - the definition of authorization powers consistent with the responsibilities assigned;
  - the communication of the relevant information to the SB.

Finally, in the implementation of the control system, while carrying out the necessary work of general verification of the company's activities, priority must be given to areas in which there is a significant probability of committing Crimes and a value/relevance of Sensitive Transactions.

#### **4.6. Adoption of the Model and subsequent amendments**

The adoption of the Model by the Company took place for the first time with a resolution of the Board of Directors on 29 March 2004 and, as a result of the introduction of other predicate liability offences *pursuant* to Legislative Decree 231/2001 and significant corporate, organisational and *business* changes (most recently listing), over the years, the consequent periodic updates of the Model.

Since the Model is an act issued by the management body (in accordance with the provisions of Article 6, paragraph 1, letter a) of Legislative Decree 231/2001), amendments and additions are subject to the competence of the Board of Directors, after consulting the Supervisory Body.

For other changes (Sensitive Processes and specific procedures on which AVIO has full decision-making autonomy), the Board of Directors delegates the Chief Executive Officer.

The Board of Directors annually ratifies all any amendments made by the Chief Executive Officer.

The Board of Directors of AVIO therefore approves this Model, formally committing each member of the Board to comply with it. Similarly, the Board of Statutory Auditors of AVIO, having read this Model, undertakes to comply with the Model by formal act.

Furthermore, in implementation of the provisions of Legislative Decree 231/2001, the Company has entrusted a collegial body with the task of assuming the functions of the Supervisory Body with the task of supervising the operation, effectiveness and compliance with the Model itself, as well as ensuring that it is updated (see Paragraph 7).

#### **4.7. Adoption and management of the Model in subsidiaries**

Since AVIO directly or indirectly controls the other companies of the AVIO Group, pursuant to Article 2359, first and second paragraphs, of the Italian Civil Code and Article 93 of the TUF, exercising guidance and coordination activities with regard to the same, the Company considers it necessary to propose to them the elements, in terms of general principles and rules, which can be used in the construction of their own Models.

These indications have a general function of guidance and coordination, it being understood that each Italian company will adapt its Model to the specific business reality in which it operates. The suitability of the Model for the prevention of crimes, in fact, must be assessed with reference to the individual company which constitutes an autonomous center of imputation of liability.

##### **a) Adoption of the Model**

The Italian companies directly or indirectly controlled by Avio will adopt their own Model that is in line with the provisions of Legislative Decree 231/2001.

In doing so, these companies will take the AVIO Model as a reference, which must in any case be harmonized to the individual realities with specific adaptations that make it effective in the various areas of activity at risk specific to each business entity and identified in these.

In any case, each Group company will be responsible for the adoption and implementation of its own Model, the appointment of its own Supervisory Body, as well as the identification of its own sensitive processes, according to the indications contained in this paragraph that AVIO has deemed it necessary to prepare exclusively as operational support for the Group companies.

The objective of the Parent Company is, in fact, also to provide guidelines to the companies of the Group.

### **b) Supervisory Body**

The role of Supervisory Body to which the task of supervising the functioning and compliance with the Model, as well as ensuring its updating, must be assigned to a body with autonomous powers of initiative and control characterised by the requirements of autonomy, independence, professionalism and continuity of action, as well as integrity and absence of conflicts of interest.

This autonomy presupposes that the Supervisory Body responds, in the performance of this function, only to the highest hierarchical level and that it is not assigned operational tasks which, by making it a participant in operational decisions and activities, would undermine its objectivity of judgment when verifying conduct and the Model.

For the characteristics of the SB of AVIO and the other companies of the Group, please refer to chapter 8 below.

### **c) Structure and construction of the Model**

Before preparing the Model, each Italian company in the Group will carry out a preparatory and preliminary activity consisting of the following phases:

#### **1) Identification of sensitive processes ("*as-is analysis*"), implemented through:**

- the preliminary examination of the company documentation (organizational charts, projects carried out, minutes of the Board of Directors, powers of attorney, organizational provisions, etc.);
- the carrying out of interviews with key subjects of the company structure (e.g. CEO, etc.) aimed at in-depth analysis of sensitive processes and their control (the presence of procedures, the verification of the congruence and consistency of operations, the separation of functions, the documentability of controls, etc.);
- the recognition of the past activity of the company in order to verify whether any risk situations have ever arisen, in which case to identify the related causes. The objective of this phase is the analysis of the business context in order to identify in which area of activity and in what way crimes can be committed. What must be obtained is a representation of the sensitive processes, the already existing controls and the related criticalities, with particular "focus" on the elements of "*compliance*" and control specific to meet the requirements of the Model.

#### **2) Carrying out the "*gap analysis*"**

On the basis of the situation found (existing controls and procedures in relation to sensitive processes), it is necessary to identify the actions to improve the Internal Control System (processes and procedures) as well as the organisational requirements essential for the definition of one's specific Model.

### 3) **Preparation of the Model**

The purpose of the Model is the preparation of a structured and organic system of control procedures and activities (preventive, *ongoing* and *ex post*), which aims to reduce the risk of committing crimes, through the identification of sensitive processes and their consequent proceduralization. The Model consists of a "General Part" and individual "Special Parts" prepared for the different categories of offences contemplated in Legislative Decree 231/2001.

These components of the Model have the following meanings and contents:

- General Part, consisting of the definitions of the terms frequently used in the text of the Model and the general principles followed in its construction (summary of the provisions of Legislative Decree 231/2001 and the guidelines drawn up by the trade associations), its structural rules and the rules governing the activity of the Supervisory Body.
- Special Parts, prepared to describe the sensitive processes detected and the related control system identified for the prevention of crimes, for the specific categories of crime provided for by Legislative Decree 231/2001.

#### **d) Approval of the Model**

The Model is approved by the Board of Directors of each company or by the Sole Director, who are also responsible for all subsequent amendments.

The Chief Executive Officer (or the Chairman of the Board of Directors) may be delegated by the Board of Directors to make specific changes, which must in any case be ratified annually by the same.

#### **e) Group foreign companies**

Foreign companies directly or indirectly controlled by Avio will adopt the specific "231 Guidelines" issued by the Parent Company which set out the general and specific conduct to be implemented in the conduct of activities considered sensitive.

#### **f) Coordination of the SBs of the Group Companies**

The individual SBs of the Group companies will be able to make use of the support and coordination provided by the Parent Body's SB.

The individual SBs of the Group companies will also be able to make use, in carrying out the task of supervising the operation and compliance with the Model, of the resources allocated to the similar body of the Parent Company, on the basis of a predefined contractual relationship with the same.

Information flows may also be defined between the Parent Board and the individual Supervisory Boards of the Group Companies with reference to potential critical issues.

For a more detailed explanation of the coordination activity between the various SBs of the Group companies, please refer to paragraph 7.8 below.

## 5. General control environment

### 5.1. The system in general

All Sensitive Transactions must be carried out in compliance with the laws in force, the rules of the Code of Ethics and the rules contained in this Model.

In general, the company's organisational system must comply with the fundamental requirements of formalisation and clarity, communication and separation of roles, in particular with regard to the attribution of responsibilities, representation, definition of hierarchical lines and operational activities.

The company must be equipped with organisational tools (organisational charts, organisational communications, procedures, etc.) based on general principles of:

- a) knowability within society;
- b) clear and formal delimitation of roles, with a complete description of the tasks of each function and the related powers;
- c) clear description of the fill lines.

Internal procedures must be characterised by the following elements:

- separation, within each process, between the subject who initiates it (decision-making impulse), the subject who executes and concludes it, and the subject who controls it;
- written record of each relevant step of the process;
- adequate level of formalization;
- to prevent the reward systems of entities with spending powers or decision-making powers of external relevance from being based on substantially unattainable performance targets.

The Supervisory Body verifies that any procedures adopted are suitable for compliance with the principles contained in the Model, indicating - where necessary - any amendments or additions that may be appropriate to ensure the effective implementation of the Model.

### 5.2. The system of proxies and powers of attorney

In principle, the system of delegations and powers of attorney must be characterized by elements of "security" for the purpose of preventing crimes (traceability and traceability of Sensitive Transactions) and, at the same time, allow the efficient management of company activities.

"Delegation" is understood as the internal act of assigning functions and tasks, reflected in the system of organizational communications.

"Power of attorney" is understood as the unilateral legal transaction by which the company assigns powers of representation towards third parties.

The holders of a corporate function who require, for the performance of their duties, powers of representation are granted a "functional general power of attorney" of adequate extension and consistent with the functions and management powers attributed to the holder through the "delegation".

The essential requirements of the delegation system, for the purposes of effective crime prevention, are as follows:

- a) all those (including employees or corporate bodies of subsidiaries and in particular of *Service Companies*) who have relations with the Public Administration on behalf of AVIO must be provided with a formal delegation to this effect;
- b) the delegations must combine each management power with the relative responsibility and an adequate position in the organization chart and be updated as a result of organizational changes;
- c) Each delegation must specifically and unequivocally define:
  - the powers of the delegate, and
  - the subject (organ or individual) to whom the delegate reports hierarchically;
- d) the management powers assigned with the delegations and their implementation must be consistent with the company's objectives;
- e) The delegate must have spending powers appropriate to the functions conferred on him.

The essential requirements of the system of attribution of prosecutors, for the purposes of effective prevention of crimes, are the following:

- a) the functional general powers of attorney are conferred exclusively to persons with internal delegation or a specific assignment contract, in the case of coordinated and continuous service providers, which describes the related management powers and, where necessary, are accompanied by a specific communication that establishes the extension of powers of representation and possibly numerical expenditure limits, recalling in any case compliance with the constraints imposed by the budget approval processes and any extra-budget and the monitoring processes of Sensitive Transactions by different functions;
- b) the power of attorney may be conferred on natural persons expressly identified in the power of attorney itself, or on legal persons, who will act through their own attorneys vested with similar powers within the power of attorney;
- c) the special powers of attorney must establish in detail the scope of operation and the powers of the prosecutor;
- d) An ad hoc procedure must regulate the methods and responsibilities to ensure a timely updating of the powers of attorney, establishing the cases in which the powers of attorney must be assigned, modified and revoked (assumption of new responsibilities, transfer to different tasks incompatible with those for which it was conferred, resignation, dismissal, etc.).

### **5.3. Relations with *Service Companies/Consultants/Suppliers/Partners*: general principles of conduct**

Relations with *Service Companies/Consultants/Suppliers/Partners*, in the context of sensitive processes and/or activities at risk of crime, must be based on the utmost fairness and transparency, compliance with the law, the Code of Ethics, this Model and internal company procedures, as well as the specific ethical principles on which the Company's activity is based.

In relations with *Service Companies/Consultants/Suppliers/Partners*, it is necessary to:

- verify their commercial and professional reliability (e.g. through ordinary searches at the Chamber of Commerce to ascertain the consistency of the activity carried out with the services required by the Company, self-certification pursuant to Presidential Decree 445/00 relating to any pending charges or sentences issued against them);

- carry out the selection on the basis of the ability to offer in terms of quality, innovation, costs and sustainability standards, with particular reference to respect for human rights and workers' rights, the environment, the principles of legality, transparency and fairness in business (this accreditation process must provide for high quality standards that can also be verified through the acquisition of specific quality certifications by the same);
- avoid, in the absence of adequate precautions, commercial and/or financial transactions, either directly or through an intermediary, with subjects – natural or legal persons – involved in investigations by judicial authorities in relation to one of the Crimes and/or reported by European and international organizations/authorities responsible for the prevention of terrorist crimes, money laundering and organized crime;
- avoid/not accept contractual relationships with subjects – natural or legal persons – who have their registered office or residence or any connection with countries considered non-cooperative as they do not comply with the standards of international laws and the recommendations expressed by the FATF-FATF (Financial Action Task Force against Money Laundering) or that are included in the *World Bank's "Black Lists"* and the European Commission;
- to recognize remuneration only against a suitable justification in the context of the contractual relationship established or in relation to the type of assignment to be carried out and the practices in force at the local level;
- avoid cash payments, unless otherwise specifically and specifically authorized in case of need. In any case, payments must be made as part of appropriate administrative procedures, which document the traceability and traceability of the expenditure;
- with reference to financial management, implement specific procedural controls and pay particular attention to flows that are not part of the company's typical processes and which are therefore managed in an extemporaneous and discretionary manner. Such controls (e.g. frequent reconciliation of accounting data, supervision, separation of duties, juxtaposition of functions, in particular procurement and finance, effective documentation of the decision-making process, etc.) are intended to prevent the formation of hidden reserves.

#### 5.4. Relations with *Service Companies/Consultants/Suppliers/Partners*: contractual clauses

Contracts with *Service Companies/Consultants/Suppliers/Partners* provide for the formalization of specific clauses that regulate:

- the commitment to comply with the Code of Ethics and the Model adopted by AVIO, as well as the declaration that they have not been or be involved in judicial proceedings relating to the Crimes, or otherwise the declaration indicating the details, the object and the status of the proceedings in progress, with the commitment in any case to promptly report to AVIO any subsequent development of the same. This commitment may be reciprocal, in the event that the counterparty has adopted its own and similar code of conduct and Model;
- the consequences of the violation of the rules referred to in the Model and/or the Code of Ethics (e.g. express termination clauses, penalties);
- the commitment, for *foreign Service Companies/Consultants/Suppliers/Partners*, to conduct their activities in compliance with rules and principles similar to those provided for by the laws of the State (or States) where they operate, with particular reference to the crimes of corruption, money laundering and terrorism and to the rules that provide for liability for the



legal person (*Corporate Liability*), as well as the principles contained in the Code of Ethics and the related Guidelines, aimed at ensuring compliance with adequate levels of ethics in the exercise of its activities.

### **5.5. Relations with Customers: general principles of conduct**

Relations with Customers must be based on the utmost fairness and transparency, in compliance with the Code of Ethics, this Model, the law and internal company procedures, which take into consideration the elements specified below:

- accept cash payments (and/or other untracked methods) only to the extent permitted by law;
- granting payment deferrals only in the event of ascertained solvency;
- refuse sales in violation of international laws/regulations, which limit the export of products/services and/or protect the principles of free competition;
- to apply prices in line with average market values. Without prejudice to commercial promotions and any donations, provided that both are adequately motivated/authorized.

## **6. AVIO's Sensitive Processes**

The risk analysis conducted by AVIO for the purposes of Legislative Decree 231/2001 has revealed Sensitive Processes with reference to the cases referred to in the Decree relating to:

- a) crimes in relations with the PA and crimes against the administration of justice;
- b) crimes of organized crime;
- c) corporate crimes;
- d) crime of corruption between private individuals;
- e) crimes with the purpose of terrorism or subversion of the democratic order;
- f) crimes against the individual personality;
- g) transnational crimes;
- h) crimes committed with the violation of the rules on the protection of health and safety at work;
- i) environmental crimes;
- j) crimes against industry and commerce and crimes relating to copyright infringement;
- k) computer crimes and unlawful processing of data (including crimes in violation of the rules on the National Cyber Security Perimeter);
- l) crimes relating to immigration and the status of foreigners;
- m) crimes of receiving stolen goods, money laundering and use of money, goods or utilities of illegal origin, as well as self-laundering;
- n) offences relating to non-cash payment instruments;
- o) crimes and administrative offences of market abuse;
- p) tax crimes;
- q) smuggling offences.

The risks related to:

- crimes of printing counterfeit coins or stamps,
- crimes against cultural heritage,
- recycling of cultural property and devastation and looting of cultural and landscape property,

they were only abstract but not concretely hypothetical.

In AVIO's corporate reality, the Sensitive Processes mapped with reference to the possible applicable cases are mainly the following:

**a) crimes in relations with the PA and against the administration of justice**

- Negotiation/stipulation and/or execution of concession contracts/agreements with public entities, including institutions and/or entities belonging to the European Union, which are reached through negotiated procedures (direct award or private negotiation)
- Negotiation/stipulation and/or execution of concession contracts/agreements with public entities, including institutions and/or entities belonging to the European Union, which are reached through public tendering procedures (open or restricted)
- Management of any judicial and extrajudicial disputes relating to the execution of concession contracts/agreements entered into with public entities

- Management of relations with public entities for obtaining authorizations and licenses for the exercise of business activities
- Management of relations with Public Bodies for the management of obligations, checks and inspections related to the production of solid, liquid or gaseous waste, or with the emission of fumes or the production of noise/electromagnetic pollution subject to controls by public bodies
- Management of relations with public bodies for aspects concerning safety and hygiene at work (Legislative Decree 81/08, Legislative Decree 105/2015 and Legislative Decree 230/1995) and compliance with the precautions provided for by laws and regulations for the employment of employees assigned to particular tasks
- Management of relations with public bodies relating to the recruitment of personnel belonging to protected categories or whose recruitment is facilitated
- Management of social security/insurance treatments of personnel and/or management of related assessments/inspections
- Management of relations with institutions and/or supervisory bodies relating to the performance of activities regulated by law
- Management of the acquisition and/or management of contributions, grants, financing, insurance or guarantees granted by public entities (including institutions and/or entities belonging to the European Union)
- Request for occasional/ad hoc administrative measures necessary for the performance of activities instrumental to those typical of the company
- Preparation of tax returns or withholding agents or other declarations functional to the settlement of taxes in general
- Management of judicial or arbitration proceedings
- Activities of *lobby* technical policy at local, national and supranational public bodies
  
- Patent Management
- Trademark Management
- Management of relations with CONSOB

As well as the processes instrumental to the commission of crimes against the Public Administration and corruption between private individuals, listed below:

- Procurement of goods and services
- Payment and financial resource management
- Consulting management
- Utility Management
- Management of the process of selection, recruitment and incentive of Personnel

**b) crimes of organized crime**

- Monitoring and renewal of licenses *pursuant to* art. 28 TULPS

- Monitoring and renewal of registration in the National Register of Companies and Business Consortia (SRNI)
- Request for coding of military equipment from the SRNI
- Communications of the start of contract negotiations
- Applications for the issuance of authorizations for the import, export and transit of military materials, both temporary and permanent
- Use of authorizations for the export/import of armament material.
- Management of activities related to obtaining licenses for the manufacture, possession and transport of explosive materials
- Management of activities related to the recognition and classification of explosive products

**c) Corporate crimes**

- Preparation of the financial statements and interim financial statements
- Management of relations with Shareholders, Independent Auditors, Board of Statutory Auditors, Internal Control Committee
- Communication, conduct and minutes of shareholders' meetings
- Issue of press releases and information to the market
- Capital transactions and allocation of profit
- Cross-border merger transactions
- Preparation of documents and prospectuses concerning the Company and the companies belonging to the Group, intended for shareholders and the public by law or by decision of the Company itself

**d) crime of corruption between private individuals**

- Management of relations with the competent bodies for obtaining certifications necessary for the exercise of the company's activity
- Negotiation, stipulation and execution of sales contracts with private parties
- Conclusion and management of *Partnership/joint venture/Consortia*
- Acquisition of shareholdings in companies
- Extraordinary management operations (mergers, demergers)
- Management of relations with the Independent Auditors
- Management of the product approval process
- Negotiation and conclusion of framework contracts
- Sale/disposal of fixed assets (tangible/intangible) and scrap
- Transfer of production scraps/material to the warehouse
- Borrowing (banks and financial institutions)
- Conclusion/renewal of insurance policies

- Claims management/quantification and settlement of reimbursements
  - Management of relations with rating agencies
  - Management of relations with private Universities/Research Centers in the context of technical collaboration contracts
  - Management of judicial or arbitration proceedings
- e) **crimes with the purpose of terrorism or subversion of the democratic order**
- Buying and selling goods/services with counterparties considered to be at risk
  - Management of company servers or websites.
  - Selection and recruitment of personnel
- f) **crimes against the individual personality**
- Activities involving direct or indirect use of labour
  - Management of company servers or Internet sites
- g) **transnational crimes**
- Management of the procurement process and execution of the related contracts with reference to transnational activities (ref. RT-01 and RT-02)
  - Authorization and execution of sales of goods/services in reference to transnational activities (ref. RT-03 and RT-04)
  - Designation of corporate bodies or management of foreign subsidiaries
  - Process of managing financial transactions with reference to transnational activities
- h) **crimes committed with the violation of the rules on the protection of health and safety at work**
- Management of the obligations required in the field of health and safety at work
  - Managing Contractor Relationships
- i) **Environmental crimes**
- "Planning" activities, aimed at setting objectives consistent with company policy, establishing the processes necessary to achieve objectives, defining and allocating resources
  - "Implementation and Operation" activities, aimed at defining organisational structures and responsibilities, defining training, consultation and communication methods, defining document and data control management methods, defining operational control methods, defining emergency management
  - "Control and Corrective Actions" activities, aimed at implementing performance measurement and monitoring methods, implementing the recording and monitoring of incidents, non-conformities, corrective and preventive actions, implementing recording management methods, implementing periodic audits

- "Management Review" activities, aimed at conducting the periodic review in order to assess whether the environmental management system has been fully implemented and whether it is sufficient to achieve the company's policy and objectives
- j) crimes against industry and commerce and crimes relating to copyright infringement**
- Management of production activities
  - Patent Management
  - Trademark Management
  - Enterprise *Software* Management
- k) computer crimes and unlawful processing of data (including crimes in violation of the rules on the National Cyber Security Perimeter)**
- Definition of information system security policies
  - Organization of security for internal and external users
  - Classification and control of assets
  - Physical and environmental security management
  - Communications and operations management
  - Access control
  - Managing Cybersecurity Incidents and Issues
  - Audit management
  - Human Resource and Safety Management
  - Encryption management
  - Security in the acquisition, development and maintenance of information systems
  - Preparation and regular updating of the list of networks, information systems and IT services and communication to competent authorities
  - Assignment of supplies of ICT goods, systems and services intended to be used on networks, information systems and for the performance of IT services relevant to the national cyber security perimeter and communication to the competent authorities
  - Management of inspection visits and compliance with the subsequent requirements of the competent authorities regarding the national cyber security perimeter
- l) crimes relating to immigration and the status of foreigners**
- Procurement of goods and services
  - Selection and recruitment of personnel
- m) crimes of receiving stolen goods, money laundering and use of money, goods or utilities of illegal origin as well as self-laundering and crimes relating to payment instruments other than cash and fraudulent transfer of values**
- Negotiation/stipulation and/or execution of contracts/agreements with private parties

- Conclusion and management of *Partnership/joint venture/Consortia*
- Extraordinary management operations (mergers, demergers)
- Capital transactions and allocation of profit
- Borrowing (banks and financial institutions)
- Collections management
- Passive Cycle Management
- Management of non-cash means of payment such as credit cards and other means of payment used as part of the company's activities (e.g. fuel cards)
- Management of the process of sale of *movable and immovable* assets

**n) Crimes and administrative offences of market abuse**

- Management and communication of Inside Information and confidential information concerning the Company and the Group
- Management of transactions carried out by Relevant Persons and related communications to the public

**o) tax crimes**

- Management of active and passive invoicing
- Preparation and keeping of accounting records relevant for tax purposes
- Preparation of tax returns and management of related obligations
- Management of intra-group invoicing
- Management of the process of sale of *movable and immovable* assets
- Selection of tax advisors
- Management of tax inspections

**p) Smuggling offences**

- Management of customs obligations (also in relation to relations with freight forwarders and customs operators)
- Management of customs inspections

## 7. The Supervisory Body

### 7.1. Identification, appointment and dismissal of the Supervisory Body

Pursuant to art. 6, letter b) of Legislative Decree 231/2001, an indispensable condition for the granting of the exemption from administrative liability pursuant to Legislative Decree 231/2001 is the attribution to a body of the Company, endowed with autonomous powers of initiative and control, of the task of supervising the operation and compliance with the Model, as well as taking care of its updating. The Guidelines suggest that it is an internal body different from the Board of Directors, characterized by the following requirements:

#### a) Autonomy and independence

The requirement of autonomy and independence presupposes that the Supervisory Body responds, in the performance of this function, only to the highest hierarchical level (e.g., CEO and Board of Directors).

When setting up the Supervisory Body, its independence is ensured by the obligation of the management body to approve, in the context of the formation of the company *budget*, an adequate annual allocation of financial resources, proposed by the Supervisory Body itself, which the latter may have at its disposal for any need necessary for the proper performance of its tasks (e.g. specialist consultancy, travel, etc.).

Finally, independence presupposes that the members of the Supervisory Body are not in a position, even potential, of conflict of interest with the Company, nor do they hold operational functions within the Company that would undermine their objectivity of judgment when verifying compliance with the Model.

#### b) Good repute and grounds for ineligibility

The following persons may not be elected members of the Supervisory Body, and if they are, necessarily and automatically lose their office:

- a. those who find themselves in the conditions provided for by art. 2382 of the Civil Code, i.e. those who are incapacitated, disqualified, bankrupt or sentenced to a penalty that involves disqualification, even temporary, from public offices or the inability to exercise managerial offices;
- b. those who have been subjected to preventive measures ordered by the judicial authority pursuant to Law No. 1423 of 27 December 1956 (Law on preventive measures against persons dangerous to safety and public morality) or Law No. 575 of 31 May 1965 (Law against the Mafia);
- c. those who have been convicted following a sentence even if not yet final, or issued *pursuant to* art. 444 et seq. of the Code of Criminal Procedure or even if with a conditionally suspended sentence, without prejudice to the effects of rehabilitation:
  1. imprisonment for a period of not less than one year for one of the offences provided for in Title XI of Book V of the Civil Code (Criminal provisions on companies and consortia) and in Royal Decree No 267 of 16 March 1942 (rules on bankruptcy, arrangement with creditors, receivership and compulsory administrative liquidation);



2. to a prison sentence, not less than one year, for one of the offences provided for by the rules governing banking, financial, securities and insurance activities and by the rules on markets and transferable securities, of payment instruments (among these, by way of example but not limited to, the offences of banking and financial abuse referred to in Articles 130 et seq. of the Consolidated Banking Act, the offences of counterfeiting coins, spending and introducing into the State, after concert, counterfeit coins referred to in art. 453 of the Criminal Code, the crimes of fraudulent damage to insured property and fraudulent mutilation of one's person referred to in art. 642 of the Criminal Code);
  3. imprisonment for a period of not less than one year for a crime against the public administration, against public faith, against property, against public order, against the public economy or for a crime in tax matters;
  4. imprisonment for a period of not less than two years for any non-culpable crime;
  5. in any case and regardless of the extent of the penalty for one or more offences among those exhaustively provided for by Legislative Decree 231/01;
- d. those who have held the position of member of the SB in companies against which the sanctions provided for by art. 9, Legislative Decree 231/01;
- e. those against whom the ancillary administrative sanctions provided for by art. 187-quarter TUF (Legislative Decree no. 58/1998) have been applied.

**c) Proven professionalism, specific skills in the field of inspection and consultancy activities**

The Supervisory Body must possess, internally, technical and professional skills appropriate to the functions it is called upon to perform. These characteristics, combined with his independence, guarantee his objectivity of judgment; it is therefore necessary that within the Supervisory Body there are individuals with adequate professionalism in economic matters, control and management of corporate risks. The Supervisory Body will also be able, also with the help of external professionals, to equip itself with competent resources in the legal field of business organization, auditing, accounting and finance.

**d) Continuity of action**

The Supervisory Body continuously carries out the activities necessary for supervision regarding the correct application of the Model with adequate commitment and with the necessary investigative powers; it is an internal structure of the company that thus guarantees the necessary continuity in the supervisory activity; takes care of the implementation of the Model by ensuring that it is constantly updated; does not carry out operational tasks that could condition and contaminate the overall vision of the business activity that is required of him.

In compliance with the provisions of Legislative Decree 231/2001, and with the suggestions of the Guidelines and *best practices* relating to listed companies, the Board of Directors of the Company has decided to opt for a collegial Supervisory Body which, due to the composition chosen, can ensure knowledge of the Company's activities and – at the same time – has the authority and independence such as to be able to guarantee the credibility of the related functions.

In particular, it was deemed appropriate to set up a collegial body composed of two independent external parties with recognized professionalism and skills in the legal and corporate fields, as well as an internal member, in the person of the Head of the Legal, Corporate Affairs and Compliance Department. One of the external members was appointed as President.

This choice was determined by the consideration that the Supervisory Body can thus guarantee the indispensable characteristics of independence, autonomy and professionalism, the technical-legal skills and the necessary continuity of action (since this body is dedicated to monitoring and verifying the application of the Model on the basis of an annual plan shared with the Company). This composition was therefore recognized as the most appropriate to assume the role of Supervisory Body, in light of the regulatory provisions and the interpretation given to it by the Guidelines and case law.

To guarantee the independence of the Supervisory Body, it is placed in a *staff* position at the top of the company, reporting directly to the Chairman of the Board of Directors of AVIO.

The aforementioned body is therefore entrusted with the task of carrying out, as the Supervisory Body, the supervisory and control functions provided for by the Model. These functions are exercised for a period of three years with the possibility of renewal.

Taking into account the peculiarity of the responsibilities attributed to the Supervisory Body and the specific professional contents required by them, the same may make use of all the internal functions necessary from time to time for the performance of its duties.

In accordance with the principles set out in Legislative Decree 231/2001, while it is not permitted to outsource the function of the Supervisory Body, it will instead be possible to outsource tasks of a technical nature (to third parties who possess the specific skills necessary for the best execution of the task), while the overall responsibility for the supervision of the Model remains with the Supervisory Body.

The appointment of the Supervisory Body and the revocation of its office are the responsibility of the Board of Directors. The Board of Directors may not elect as a member of the Supervisory Body a person against whom there is a conviction, even in the first instance or plea bargaining, relating to crimes provided for by Legislative Decree 231/2001 or crimes of the same nature.

The characteristics, any additional requirements, including subjective ones, of the AVIO Supervisory Body as well as its operating rules are established in a specific regulation sent to the Board of Directors of the companies and the Board of Statutory Auditors.

## 7.2. Functions and powers of the Supervisory Body

The Supervisory Body is generally entrusted with the task of supervising:

- compliance with the Model by Employees, Corporate Bodies, *Service* Companies, Consultants, Suppliers and *Partners*;
- on the effectiveness and adequacy of the Model in relation to the corporate structure and the effective ability to prevent the commission of Crimes;
- on the opportunity to update the Model, where there is a need to adapt it in relation to changed company and/or regulatory conditions.

To this end, the SB is also entrusted with the tasks of:

- verify the implementation of the control procedures provided for by the Model;

- conduct reconnaissance on the company's activities for the purpose of updating the mapping of Sensitive Processes;
- periodically carry out targeted checks on certain operations or specific acts carried out by AVIO, especially in the context of Sensitive Processes, the results of which must be summarised in a special report to be presented during *reporting* to the appointed Corporate Bodies;
- coordinate with the *company management* (in particular with the Human Resources and Organization Manager) to assess the adoption of any disciplinary sanctions, without prejudice to the latter's competence for the imposition of the sanction and the related disciplinary proceedings (see chapter 10 below);
- coordinate with the Human Resources and Organization Manager for the definition of training programs for personnel and the content of periodic communications to be made to Employees and Corporate Bodies, aimed at providing them with the necessary awareness and basic knowledge of the regulations referred to in Legislative Decree 231/2001;
- prepare and continuously update, in collaboration with the competent company department, the space on the Company's Intranet containing all the information relating to Legislative Decree 231/2001 and the Model;
- monitor initiatives for the dissemination of knowledge and understanding of the Model, and prepare the internal documentation necessary for the operation of the Model, containing instructions for use, clarifications or updates of the same;
- collect, process and store the relevant information regarding compliance with the Model, as well as update the list of information that must be transmitted to him or kept available to him (see chapter 7.4 below);
- coordinate with the other company functions (including through special meetings) for the best monitoring of activities in relation to the procedures established in the Model. To this end, the SB is endowed with a general inspection power and has free access to all company documentation that it deems relevant and must be constantly informed by management : a) on the aspects of the company's activity that may expose AVIO to the risk of committing one of the crimes; b) on relations with *Service Companies*, Consultants, Suppliers and *Partners* operating on behalf of the Company in the context of Sensitive Transactions; c) on the Company's extraordinary transactions;
- interpret the relevant legislation (in coordination with the Legal, Corporate Affairs and Compliance Department) and verify the adequacy of the Model to these regulatory requirements;
- coordinate with the company functions (including through special meetings) to assess the adequacy and updating needs of the Model;
- activate and carry out internal investigations, liaising from time to time with the company functions concerned, to acquire further elements of investigation (e.g. with the Legal, Corporate Affairs and Compliance Department for the examination of contracts that deviate in form and content from the standard clauses aimed at guaranteeing AVIO from the risk of involvement in the commission of crimes; with the Human Resources and Organization function for the application of disciplinary sanctions, etc.);
- indicate to management, in coordination with the Administration, Finance and Control function, the appropriate additions to the management systems of financial resources (both incoming and outgoing) already present in the Company, in order to introduce some measures

suitable for detecting the existence of any atypical cash flows and characterized by greater margins of discretion than what is ordinarily envisaged;

- coordinate with the competent function for the monitoring of corporate obligations that may be relevant for the purpose of committing corporate crimes.

The autonomy and independence that must necessarily characterize the activities of the SB have made it necessary to introduce some forms of protection in its favor, in order to ensure the effectiveness of the Model and to prevent its control activity from generating forms of retaliation to its detriment (think of the hypothesis in which the investigations carried out by the SB may reveal elements that trace back to the highest top management the crime or the attempt to commit the crime or the violation of this Model).

To this end, the Chairman of the Board of Directors of AVIO will be adequately informed about the evaluation of *the* overall professional performance and any organizational intervention concerning the SB and will verify its consistency with the company's internal policies.

For any financial need, the SB in carrying out its mandate may request all the resources necessary for this purpose.

### **7.3. Reporting of the SB to the top management**

The SB reports on the implementation of the Model and the emergence of any critical issues.

The SB reports on an ongoing basis to the Chief Executive Officer and the Chairman of the Board of Directors, to whom the SB will promptly turn whenever a problem or critical issue arises relating to a sensitive area referred to in Legislative Decree 231/2001.

The SB also periodically informs the Board of Directors, the Control and Risk Committee and the Board of Statutory Auditors about the activities carried out through:

- periodic reports on a six-monthly basis;
- whenever the need and/or opportunity arises and is recognized.

The half-yearly reports concern:

- a) the activities carried out by the SB during the reference semester;
- b) any critical issues (and ideas for improvement) that have emerged both in terms of behaviour or events within AVIO, and in terms of the effectiveness of the Model;
- c) an activity plan planned for the following year.

Meetings with the bodies to which the SB refers must be recorded by the SB itself, which must also keep copies of the relevant minutes.

The aforementioned corporate bodies have the right to convene the SB at any time which, in turn, has the right to request, through the competent functions or subjects, the convening of the aforementioned bodies for urgent reasons.

### **7.4. Information flows to the SB: general information and specific mandatory information - The whistleblowing system**

The Company provides for an internal reporting channel for reporting, the prohibition of retaliation and a disciplinary system in accordance with Legislative Decree 24/2023 implementing Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 "on the protection

*of persons who report breaches of European Union law and laying down provisions concerning the protection of persons who report breaches of the provisions national regulations" ("Whistleblowing Decree").*

The Company, pursuant to the Whistleblowing Decree, has adopted the Whistleblowing Procedure, which governs the process of receiving, analysing and processing reports and which, in accordance with the provisions of the legislation in question, provides for an internal reporting channel suitable for guaranteeing the confidentiality of the identity of the whistleblower (the "**Whistleblowing Procedure**").

Therefore, reports relating to violations of the Model and the Code of Ethics can be transmitted by all Recipients (and by other possible whistleblowers identified by the Whistleblowing Decree) through the use of the platform made available by AVIO at the following *link*: <https://areariservata.mygovernance.it/#!/WB/avio>.

The Whistleblowing Procedure provides that the SB must be informed and consulted with reference to reports by Employees, Corporate Bodies, *Service* Companies, Consultants, Suppliers and *Partners* regarding events that could give rise to AVIO's liability pursuant to Legislative Decree 231/2001, as well as events that could constitute violations of the Code of Ethics.

Any measures resulting from the reports are applied in accordance with the provisions of chapter 10 below (Disciplinary and sanctioning system).

The Supervisory Body receives a six-monthly update on the overall management of reports, including non-231 reports, in order to verify the functioning of the whistleblowing system and propose to the body any need for improvement.

Information concerning the following must be compulsorily and immediately transmitted to the SB:

- the measures and/or news coming from judicial police bodies, or from any other authority, from which it is evident that investigations are being carried out, including against unknown persons, for crimes;
- requests for legal assistance submitted by Employees in the event of the initiation of legal proceedings for Crimes;
- reports prepared by the heads of other company functions as part of their control activities and from which facts, acts, events or omissions with critical profiles with respect to compliance with the rules of Legislative Decree 231/2001 could emerge;
- information relating to the disciplinary proceedings carried out and any sanctions imposed (including measures against Employees) or the measures to dismiss such proceedings with the related reasons;
- evidence of any critical issues or conflicts of interest that have arisen in the context of the relationship with the PA;
- any situations of irregularities or anomalies found by those who carry out a control and supervision function on obligations related to the performance of sensitive activities (payment of invoices, allocation of funds obtained from the State or EU bodies, etc.);
- judicial, tax and administrative inspections (e.g. relating to the rules on the protection of safety and hygiene in the workplace, tax audits, INPS, etc.) in the event that the final report highlights critical issues for the company (transmission by the head of the department involved);
- other relating to the protection of safety and hygiene in the workplace and the environment (accident list, accident report, new appointments, special inspections, etc.).

Additional mandatory information flows are defined by the SB in agreement with the corporate functions responsible for their transmission.

#### 7.4.1. Confidentiality obligations and protection of the whistleblower

The members of the Supervisory Body ensure the confidentiality of the information they come into possession of, in particular if relating to strategic transactions of the Company or alleged violations of the Model (in accordance with the provisions of the Whistleblowing Decree).

The members of the SB shall also refrain from using confidential information for purposes other than those referred to in the previous paragraphs and in any case for purposes that do not comply with supervisory functions, except in the case of express and informed authorisation.

Whistleblowers may not suffer any retaliation and, in this regard, the Whistleblowing Decree provides for support measures for whistleblowers as well as the possibility for the latter to notify ANAC of the retaliation they believe they have suffered as a result of a report.

In any case, the Company takes all necessary measures to ensure that the prohibition of retaliatory or discriminatory acts, direct or indirect, against the whistleblower for reasons directly or indirectly related to the report is ensured.

#### 7.5. Information Collection and Retention

All information (including reports relating to violations of the Model and/or the Code of Ethics) and reports provided for in this Model are stored by the SB in a special *database* (computer or paper) for a maximum period of 5 years.

Access to the *database*, in addition to the SB, is allowed only to the Chairman of the Board of Directors, the Chief Executive Officer, the Chairmen of the Internal Control Committee and the Board of Statutory Auditors, as well as to the members of the Board of Directors and the Board of Statutory Auditors who are specifically authorised by their respective corporate bodies.

The following is an example list of the special information to be kept in the *database*:

- any useful information regarding decisions relating to the request, disbursement and use of public funds;
- the summary schedules of the contracts for which AVIO has been awarded following national and international tenders, or by private treaty;
- news and documentation relating to contracts awarded by public bodies or entities that perform functions of public utility;
- requests for legal assistance forwarded by Managers, Employees or other persons who are entitled to it, against whom the judiciary has initiated proceedings for the crimes provided for by Legislative Decree 231/2001;
- the measures and/or news coming from judicial police bodies, or from any other authority, which show that investigations are being carried out, including against unknown persons, for the crimes referred to in Legislative Decree 231/2001;
- news relating to compliance, at all company levels, with the Model and the Code of Ethics, with evidence of the disciplinary proceedings initiated and any sanctions imposed or the dismissal measures, with the related reasons;

- reports prepared by the heads of other company functions as part of their control activities and from which facts, acts, events or omissions relevant to compliance with the provisions of Legislative Decree 231/2001 may emerge;
- the updated system of proxies and powers of attorney of AVIO;
- the relevant documents prepared by the organization responsible for the protection of safety, health and hygiene in the workplace (risk assessment documents, appointments of RSPPs, competent doctors, emergency procedures, etc.) and for the environment (requests for authorizations, IEA, etc.);
- the procedures adopted by the Company that are directly or indirectly referred to in the Model.

## 7.6. The Supervisory Body in the Subsidiaries

Without prejudice to the provisions of art. 6, paragraph 4, of Legislative Decree 231/2001, each Italian company controlled directly or indirectly by AVIO must provide, at the same time as the approval of its Model, for the establishment of its own Supervisory Body.

The characteristics and tasks of this SB may be borrowed from this AVIO Model with the necessary adaptations in relation to the individual company realities.

In each foreign company controlled directly or indirectly by AVIO, the Board of Directors or *Board of Directors* must in any case identify the figure of the "*Compliance Officer*" (coinciding with the *Chief Executive Officer* or the *Managing Director* in small companies, or the *Manager* with the highest profile of independence and operational autonomy in the company), as guarantor the implementation of the specific "231 Guidelines" issued by the Parent Company and their continuous application in the company.

The appointment of the *Compliance Officer* (CO) must be communicated to the Parent Body's SB. The *Compliance Officer* must report on his work, at least every six months, to the corporate body of reference by means of a written report.

## 7.7. Coordination with the Parent Organisation's SB and related information flows

Avio's Supervisory Body will be able to provide support to the SBs of the individual Italian companies of the Group for the adoption of a Model in line with the provisions of Legislative Decree 231/2001, with the Guidelines and with the principles of the Parent Company Model.

The SBs of the Italian subsidiaries will send the SB of the Parent Company the Model adopted, any updates thereto and copies of the annual *reports* sent to their Board of Directors.

The Supervisory Body of each Italian company controlled directly or indirectly by AVIO may make use, in carrying out the task of supervising the operation and compliance with the Model, of the resources allocated to the Supervisory Body of the Parent Company, on the basis of a predefined contractual relationship with the same.

The *Compliance Officer* of each foreign company controlled directly or indirectly by AVIO may coordinate with the AVIO SB in order to ensure the correct implementation and related monitoring of the "231 Guidelines" issued by the Parent Company.

The *Compliance Officers* of the controlled foreign companies will transmit to the Parent Company's SB any internal documents and their updates, drawn up in order to regulate the implementation of the 231 Guidelines adopted by the Parent Company, and copies of the half-yearly reports sent to their corporate body of reference.

## 8. The training of resources and the dissemination of the Model

### 8.1. Training and information for Employees and Corporate Bodies

For the purposes of the effectiveness of this Model, AVIO's objective is to ensure correct knowledge of the rules of conduct contained therein both for the resources already present in the Company and for future ones. The level of knowledge is achieved with different degrees of depth in relation to the different level of involvement of the resources themselves in the Sensitive Processes.

The information and training system is supervised and integrated by the activity carried out in this field by the SB in collaboration with the Head of Human Resources and Organization and with the heads of the other functions involved from time to time in the application of the Model.

#### 8.1.1. The initial communication

The adoption of this Model has been communicated to all the resources present in the company at the time of its adoption.

New hires and individuals who hold a corporate office for the first time, on the other hand, are given an information set (e.g. Code of Ethics, Model, Legislative Decree 231/2001, etc.), with which to ensure that they have the knowledge considered of primary importance.

#### 8.1.2. Training

The training activity aimed at disseminating knowledge of the regulations referred to in Legislative Decree 231/2001 is differentiated, in terms of content and delivery methods, according to the qualification of the Recipients to whom it is addressed, the level of risk of the area in which they operate, and whether or not they have representative functions of the Company.

In particular, AVIO has provided different levels of information and training through suitable dissemination tools for:

1. *Top management*, members of the SB and of the Corporate Bodies;
2. Employees who work in the field of Sensitive Processes;
3. Employees who do not operate in the context of Sensitive Processes.

All training programmes will have a minimum common content consisting of the illustration of the principles of Legislative Decree 231/2001, the constituent elements of the Model, the individual offences envisaged by Legislative Decree 231/2001 and the behaviours considered sensitive in relation to the commission of the offences.

In addition to this common matrix, each training program will be modulated in order to provide its users with the necessary tools for full compliance with the dictates of Legislative Decree 231/2001 in relation to the scope of operation and the tasks of the recipients of the program itself.

Participation in the training programs described above is mandatory and the control of actual attendance is delegated to the Supervisory Body.

Failure to participate in the training activity without justification by Employees constitutes a violation of the principles contained in this Model and, therefore, will be sanctioned in accordance with the provisions of the following paragraph.



The Supervisory Body is also responsible for checking the quality of the content of the training programmes as described above.

## **8.2. Information to Consultants, Suppliers and *Partners***

With regard to Consultants, Suppliers and *Partners*, special systems will be set up to guide their selection according to criteria that take due account of the principles of prevention and integrity referred to in this Model, principles of which they must be adequately informed.

The contracts governing relations with the above-mentioned parties must contain specific clauses that require them to comply with the Model and Code of Ethics adopted by the Company.

## **8.3. Supervisory obligations**

All Employees who hold the position of manager or head of a company function are obliged to exercise supervisory activities by paying the utmost attention and diligence to all Employees to whom they are in a relationship of direct and indirect hierarchical superiority. They must also report any irregularity, violation or non-compliance with the principles contained in this Model to the Supervisory Body.

If the Employee holds the position of manager or head of a company function and does not comply with the aforementioned obligations, he or she will be sanctioned in accordance with his or her hierarchical position within the Company in accordance with the provisions of the Disciplinary and Sanctioning System referred to in the following paragraph.

## 9. Disciplinary and sanctioning system

The definition of a sanctioning system, applicable in the event of violation of the provisions of this Model, is a necessary condition to ensure the effective implementation of the Model itself, as well as an essential prerequisite for allowing the Company to benefit from the exemption from administrative liability.

The application of disciplinary sanctions is independent of the establishment and outcome of any criminal proceedings initiated in cases where the violation constitutes a relevant crime pursuant to Legislative Decree 231/2001. The penalties that can be imposed are diversified according to the nature of the relationship between the offender and the Company, as well as the importance and seriousness of the violation committed and the role and responsibility of the perpetrator.

By virtue of the provisions of the aforementioned *Whistleblowing* Decree and with reference to any recipient of the Model, it should be noted that the conduct punishable by sanctions must also include the violation, in any way, of the measures to protect the whistleblower, as well as the intentional or grossly negligent reporting that proves to be unfounded.

In general, violations can be traced back to the following behaviors and classified as follows:

- a) conduct that constitutes a culpable failure to implement the requirements of the Model, including protocols, procedures or other company instructions;
- b) conduct that constitutes a malicious transgression of the provisions of the Model, such as to compromise the relationship of trust between the perpetrator and the Company as it is unequivocally preordained to commit a crime;
- c) conduct that constitutes violations provided for by the *Whistleblowing Decree*

The sanctioning procedure is in any case referred to the Function and/or the competent corporate bodies.

It should also be noted that failure to comply with the rules contained in the Model constitutes an element of professional evaluation that may have repercussions on the career or salary path (with particular regard, for example, to any variable/bonus component of remuneration).

### 9.1. Penalties for employees

In relation to employees, the Company must comply with the limits set out in art. 7 of Law 300/1970 (Workers' Statute) and the provisions contained in the applicable National Collective Labour Agreement (hereinafter referred to as the "CCNL"), both with regard to the sanctions that can be imposed and the methods of exercising disciplinary power.

Failure by employees to comply with the provisions of the Model, and all the documentation that forms part of it, constitutes a breach of the obligations arising from the employment relationship *pursuant to* Article 2104 of the Civil Code. and a disciplinary offence.

More specifically, the adoption, by an employee of the Company, of conduct that can be qualified, on the basis of what is indicated in the previous paragraph, as a disciplinary offence, also constitutes a violation of the employee's obligation to perform the tasks entrusted to him with the utmost diligence, in compliance with the Company's directives, as provided for by the current CCNL.

The following penalties may be imposed on employees:

- verbal warning,
- written reminder,
- fine
- suspension from work and pay,
- dismissal.

In order to highlight the criteria for correlation between violations and disciplinary measures, it should be noted that:

- a) an employee who violates, through mere negligence, company procedures, the provisions of the Code of Ethics or adopts, in carrying out activities in areas at risk, conduct that does not comply with the requirements contained in the Model, if the violation has no external relevance, incurs the disciplinary measure of verbal reprimand;
- b) An employee who:
  - is a repeat offender, during the two-year period, in the commission of offences for which a verbal reprimand is applicable;
  - violates, through mere negligence, company procedures, the provisions of the Code of Ethics or adopts, in carrying out activities in areas at risk, conduct that does not comply with the requirements contained in the Model, if the violation has external relevance;
- c) An employee incurs the disciplinary measure of the fine if:
  - is a repeat offender, during the two-year period, in the commission of offences for which a written reprimand is applicable;
  - due to the hierarchical or technical level of responsibility, or in the presence of aggravating circumstances, undermines the effectiveness of the Model with conduct such as:
    - failure to comply with the obligation to inform the Supervisory Body;
    - repeated failure to comply with the requirements set out in the Model, in the event that they concern a procedure or relationship to which the Public Administration is a party;
- d) An employee who:
  - is a repeat offender, during the two-year period, in the commission of offences for which the fine is applicable;
  - violates company procedures concerning the protection of health, safety and the environment;
  - violates the provisions concerning the powers of signature and the system of delegations attributed with regard to acts and documents addressed to the Public Administration;
  - makes false or unfounded reports regarding violations of the Model and the Code of Ethics;
- e) An employee incurs the disciplinary measure of dismissal if:
  - fraudulently evades the requirements of the Model through conduct unequivocally aimed at committing one of the offences included among those provided for in Legislative Decree 231/2001;

- violates the internal control system by stealing, destroying or altering documentation or by preventing control or access to information and documentation to the persons in charge, including the Supervisory Body, in such a way as to prevent their transparency and verifiability.

The Company may not adopt any disciplinary measures against the Employee without compliance with the procedures provided for in the CCNL for individual cases.

The principles of correlation and proportionality between the violation committed and the sanction imposed are guaranteed by compliance with the following criteria:

- seriousness of the violation committed;
- the employee's task, role, responsibility and autonomy;
- predictability of the event;
- intentionality of conduct or degree of negligence, recklessness or inexperience;
- overall conduct of the offender, with regard to the existence or absence of disciplinary precedents within the terms provided for by the CCNL;
- other particular circumstances that characterize the violation.

The existence of a sanctioning system related to non-compliance with the provisions contained in the Model, and in the documentation that forms part of it, must necessarily be brought to the attention of the employees through the means deemed most suitable by the Company.

## **9.2. Penalties for employees with the qualification of Managers**

Failure by Managers to comply with the provisions of the Model, and all the documentation that forms part of it, including the violation of the obligations to inform the Supervisory Body and to control the conduct of their collaborators, results in the application of the sanctions referred to in collective bargaining for other categories of employees, in compliance with art. 2106, 2118 and 2119 of the Civil Code, as well as art. 7 of Law 300/1970.

In general, the following penalties may be imposed on managerial staff:

- a) suspension from work;
- b) dismissal.

The ascertainment of any violations, as well as inadequate supervision and failure to promptly inform the Supervisory Body, may result in workers with managerial qualifications, suspension as a precautionary measure from work, without prejudice to the manager's right to remuneration, as well as, again on a provisional and precautionary basis for a period not exceeding three months, the assignment to different positions in compliance with art. 2103 of the Civil Code.

## **9.3. Measures against Directors**

In the event of a violation of the provisions of the Model, including those of the documentation that forms part of it, by one or more Directors, the SB shall promptly inform the entire Board of Directors and the Board of Statutory Auditors, so that they may take or promote the most appropriate and appropriate initiatives, in relation to the seriousness of the violation detected and in accordance with the powers provided for by current legislation and the Articles of Association. These include:

- the discussion of the problem within the Nomination and Compensation Committee, which will assess whether or not to refer the decision to the Board of Directors so that it adopts the appropriate measures (such as, for example, the imposition of the sanctioning measure of the formal written warning or the revocation, even partial, of the delegated powers and powers of attorney conferred). The resolutions of the Committee and the Board of Directors must be adopted with the abstention of the interested party(s).
- the convening of the shareholders' meeting in order to adopt the most suitable measures provided for by law (such as, for example, proposing the temporary suspension from office and, in the most serious cases, the revocation for just cause of the Director who has violated the Model).

In the event of an ascertained violation of the provisions of the Model by the entire Board of Directors, including the documentation that forms part of it, the Supervisory Body shall immediately inform the Board of Statutory Auditors, so that it may take steps to promote the consequent initiatives.

In any case, the Statutory Auditors, having assessed the seriousness of the violation, may notify CONSOB of the irregularities that have occurred.

In any case, the Company may claim any damage, including damage to its image, and/or liability that may arise from conduct in violation of this Model.

#### **9.4. Measures against Mayors**

In the event of a proven violation of the provisions of this Model, including those of the documentation that forms part of it, by one or more Statutory Auditors, the SB shall inform the entire Board of Statutory Auditors and the Board of Directors, who will take the appropriate measures including, for example, the convening of the Shareholders' Meeting in order to adopt the most appropriate measures provided for by law.

#### **9.5. Measures against the members of the SB**

In the event of a violation of this Model or the Code of Ethics by one or more members of the SB, the other members of the SB or any of the Statutory Auditors or Directors, it shall inform the Board of Statutory Auditors and the Board of Directors, who will take appropriate measures including, for example, the revocation of the appointment of the members of the SB who have violated the Model and the consequent appointment of new members to replace them, or the revocation of the appointment of the entire body and the consequent appointment of a new SB.

#### **9.6. Measures against Service Companies, Consultants, Suppliers and Partners**

Any violation by Service Companies, Consultants, Suppliers or Partners of the rules set out in this Model or of the Code of Ethics applicable to them or the commission of Crimes is sanctioned in accordance with the provisions of the specific contractual clauses included in the relevant contracts (cf. Special Part no. 1). This is without prejudice to any claim for compensation if such conduct causes concrete damage to the Company, as in the case of application by the judge of the measures provided for by Legislative Decree 231/2001.

## 10. Audits by the Supervisory Body

In addition to the supervisory activity that the Supervisory Body continuously carries out on the effectiveness of the Model (and which takes the form of verifying the consistency between the concrete conduct of the Recipients and the Model itself), it periodically carries out specific checks (including surprise checks) on the real capacity of the Model to prevent crimes.

In carrying out its activities, the Supervisory Body may avail itself of the support of individual corporate functions (or external consultants) depending on the sector of operation subject to control from time to time, making use of their respective skills and professionalism.

During the aforementioned checks and inspections, the Supervisory Body is granted the broadest powers in order to effectively carry out the tasks entrusted to it.

With regard to the subject of the checks, they may be divided into:

- a. checks on the deeds: the main deeds and contracts of greatest importance concluded by the Company will be periodically verified;
- b. checks on procedures: the effective functioning of this Model and the procedures directly or indirectly referred to by it, as well as the degree of knowledge of the personnel with respect to the problem of the company's criminal liability, will be periodically verified, with sample interviews.

As a result of the verification, a shared report will be drawn up with the CEO and presented to the Board of Directors as well as communicated to the Chairman of the Board of Statutory Auditors to be submitted to the attention of the Board of Directors (in conjunction with one of the half-yearly reports prepared by the SB) highlighting possible shortcomings and suggesting the actions to be taken and/or any improvements to be implemented.