



## Organization, management and control model

Legislative Decree no. 231/2001

### General Part

Version	Approval date
I edition	Resolution of the Board of Directors of the day

# INDEX

## **A. PURPOSE OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL4**

## **B. RECIPIENTS OF THE 231 MODEL4**

## **C. STRUCTURE OF THE 231 MODEL5**

### **1. THE REGULATORY FRAMEWORK5**

1.1 THE RESPONSIBILITY OF THE ENTITIES5

1.2 THE EXEMPTING CONDUCT6

1.3 SANCTIONS7

### **2. CIVITANAVI SYSTEMS S.p.a.9**

### **3. THE CIVITANAVI SYSTEMS S.p.a. 231 MODEL10**

3.1. REALISATION, IMPLEMENTATION AND MODIFICATION OF THE 231 MODEL10

3.1.1 *Risk assessment*10

3.1.2 Identification of sensitive areas and activities11

3.1.3 *Risk Management and Gap Analysis*12

3.1.4 Adoption and modification of the 231 Model12

3.1.5 Dissemination of 231 Model and training of company functions13

3.2 THE MANAGEMENT AND CONTROL SYSTEM OF CIVITANAVI SYSTEMS S.P.A.13

3.2.1. The Code of Ethics14

3.2.2 Corporate *governance*15

3.2.2.1 The Board of Directors .....15

3.2.2.2 The Control functions .....15

3.2.3 The Company Organization Chart15

3.2.4 General principles of control and General principles of conduct16

3.2.5 Management systems16

3.2.6 Prevention measures17

### **4. THE SUPERVISORY BODY18**

4.1 DEFINITION AND REQUIREMENTS OF THE SB18

4.2 APPOINTMENT, REVOCATION AND RESIGNATION OF THE MEMBERS OF THE SUPERVISORY BODY19

4.3 FUNCTIONS AND POWERS OF THE SUPERVISORY BODY20

4.4 INFORMATION FLOWS TO THE SUPERVISORY BODY22

4.4.1 Reporting obligations22

4.4.2 *Whistleblowing*22

4.4.3 Information requirements23

4.5 REPORTING OF THE SB TO THE OTHER CORPORATE BODIES<sup>24</sup>

**5. DISCIPLINARY AND SANCTIONING SYSTEM<sup>25</sup>**

5.1 GENERAL PRINCIPLES<sup>25</sup>

5.2 VIOLATIONS OF THE MODEL AND THE ETHICAL CODE<sup>25</sup>

5.3 MEASURES AGAINST EMPLOYEES<sup>26</sup>

5.4 MEASURES AGAINST DIRECTORS<sup>27</sup>

5.5 MEASURES AGAINST THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS<sup>27</sup>

5.6 MEASURES AGAINST THIRD PARTIES (SUPPLIERS, BUSINESS PARTNERS, CONSULTANTS, SELF-EMPLOYED WORKERS)<sup>27</sup>

5.7 MEASURES AGAINST THE SUPERVISORY BODY<sup>27</sup>

5.8 COMPENSATION FOR DAMAGES<sup>28</sup>

## INTRODUCTION

### **A. PURPOSE OF THE ORGANISATION, MANAGEMENT AND CONTROL MODEL**

This document describes the Organization, Management and Control Model adopted by CIVITANAVI SYSTEMS S.p.a. (hereinafter "CIVITANAVI") pursuant to Legislative Decree no. 231 of 8 June 2001 (hereinafter also "Legislative Decree 231/01" or "Decree").

The Organization, Management and Control Model (hereinafter also the "231 Model") represents a coherent set of principles and operating rules that govern the internal functioning of the Company and the ways in which it deals with the outside world and it describes the control system of sensitive activities, in order to prevent the committing of or attempts to commit offenses referred to in Legislative Decree 231/2001.

The adoption of 231 Model therefore allows the Company:

- to prevent and fighting against the committing of offenses established by Decree 231 and discipline the Company's units behaviour contrary to the Decree and Company's rules, thanks to monitoring actions on sensitive activities;
- to bring to the attention of all personnel of the Company and third parties (customers, suppliers, collaborators, partners, etc.) the necessity to adopt, in the conduct of their activities, correct and transparent conduct in line with the ethical and social values of the Company in the pursuit of preventing the risk of committing an offense established by Decree 231;
- to increase the awareness of the above-mentioned actors of the fact that illegal behavior could lead to administrative sanctions against the Company and those who are contrary to the interests of the Company even when it apparently could benefit from such behavior;
- to verify, rationalize, review and integrate the decision-making and operational processes, as well as the control systems of the Company;
- to introduce and disseminate the awareness among the personnel of the Company to respect and apply the rules of conduct and preventive protocols explaining that violation of their provisions potentially can be resulted in criminal, civil and disciplinary liability.

### **B. RECIPIENTS OF THE 231 MODEL**

Personnel of the Company are considered to be recipients (hereinafter the "Recipients") of the 231 Model. Recipients undertake to comply with the content of the 231 Model, that applies to , by way of example:

- those who perform, even *de facto*, representative, managerial administrative, executive and controlling roles in the Company;
- employees and collaborators of the Company, of any degree and under any type of contractual relations.

These Recipients, and in particular those who carry out risk activities under the provisions of the 231 Model, must comply with all requirements timely, even in fulfillment of the duties of fairness and diligence arising out from the established legal relations with the Company.

In addition, provisions of the Code of Ethics is binding, based on certain contractual clauses, to all Third Parties, not belonging to the Company's organization, but operating on behalf of or in the interest of the Company.

## C. STRUCTURE OF 231 MODEL 231

The CIVITANAVI 231 Model consists of:

- **General Part**, which describes the function of the 231 Model, the regulatory framework of reference, the structure of the 231 Model adopted by the Company, briefly illustrates the methods of identifying risks and analyzing prevention measures, the Management and Control System introduced in the Company, the functions and activities of the Supervisory Body and the current disciplinary system;
- **Special Parts**, which identify, in relation to the relevant types of offense, the business processes which are potentially at "risk 231", contain examples of the hypothetical methods of committing offenses and define the behavioral principles to be respected as well as the reference safeguards for risk prevention.

The following are also to be considered integral and substantial parts of the 231 Model:

- the **Code of Ethics**, which defines the general values and principles of ethics, the Company's personnel must comply with;
- the **Management and Control System** of the Company, set forth in paragraph 3.2.

## 1. THE REGULATORY FRAMEWORK

### 1.1 THE RESPONSIBILITY OF THE ENTITIES

Legislative Decree no. 231 of 8 June 2001 introduced in Italy the "*Discipline of the administrative responsibility of legal persons, companies and associations even without legal personality*", which establishes the direct responsibility of the Entities for unlawful acts committed in their interest or to the advantage of the Company's personnel in key positions or their subordinates.

It implies an administrative liability imposed on legal entities in addition to the criminal liability of the natural person belonging to the such entities, who committed the unlawful act.

In particular, legal entities are responsible for offenses committed in its interest or for its own benefit by:

- **top managers:** natural persons who hold key positions.  
This concept includes those who have powers of representation, administration or direction of the legal entity or of one of its organizational units endowed with financial and functional autonomy and those who exercise, even *de facto*, the management and control of such legal entity;
- **subordinates:** natural persons subject to the direction or supervision by the top management.  
This concept covers employees and, more generally, all workers subject to the supervision of the top management.

The notions of "interest" or "advantage" of the legal entity, in according with the applicable law, represent two distinct criteria for attributing responsibility that may be alternatively present.

In particular, the criterion of "interest" expresses an appreciable evaluation "ex ante", that is, at the time of the offense was committed due to a markedly subjective criterion, while "advantage" has an essentially objective meaning "ex post" based on the consequences derived from the realization of the offense.

On the other hand, the legal entity is not liable when the predicate offense was committed by a company functioning exclusively for the purpose of pursuing its own interest or of third parties.

The administrative liability of the legal entity exists only for certain offenses, expressly indicated by the legislator in the Decree itself or provided for by specific laws, which are commonly defined as "predicate offenses".

For the list of predicate offenses, updated to the last legislative intervention, please refer to [Annex 1 – List of predicate offenses](#).

The responsibility of the legal entity is independent of the responsibility of a natural person, which means that it exists even when the offender has not been identified or is not attributable to and when an offense is extinguished for a cause other than amnesty.

This liability also exists for offenses committed abroad, provided that the state of the place where the act is committed does not proceed against these legal entities.

The responsibility of the legal entity also occurs in the event that the predicate offenses are carried out in the forms of the attempt. In the latter case, the penalties are reduced from one third to the half.

However, the legal entity does not respond when it voluntarily prevents the completion of the action or the realization of the event.

## **1.2 THE EXEMPTING CONDUCT**

Articles 6 and 7 of Legislative Decree no. 231/2001 provide for specific forms of exemption from the administrative liability of legal entities, depending on whether offenses are committed by top managers or by employees directed or supervised by others.

When an offense is committed by employees in key positions, Art. 6 provides for the exemption of liability if the legal entity demonstrates that:

- ✓ the management body has adopted and effectively implemented, before an offense was committed, a model of organization and management to prevent the offenses of the kind that was occurred;
- ✓ Supervisory Body with autonomous powers of initiative and control is empowered to supervise, monitor and update the 231 Model;
- ✓ the person responsible for has committed an offense by evading the 231 Model in a fraudulent manner;
- ✓ there has been no omission or insufficient supervision made by the Supervisory Body .

Provided an offense was committed by subordinates, the legal entity is held responsible if such action became possible due to the infringement of the management and supervision obligations.

The Decree provides that non-compliance with the obligations of management and supervision can be avoided provided the legal entity, before an offense was committed, had adopted and had implemented an appropriate Organization and Management Model suited for preventing offenses of the kind that occurred.

The legal entity's exemption from liability is not based on the mere adoption of the Organizational and Management Model, but based on its effective implementation, which must be achieved through appropriate application of all preventive measures and controls necessary to limit the risk of committing the predicate offenses.

In this sense, Legislative Decree 231/2001 provides specific indications regarding the minimum content of the 231 Model. In particular, the Decree requires that the Model contains:

- the identification of the actions resulted in committing offenses;
- suitable measures to ensure the performance of the activity in compliance with the law and to promptly discover risk situations, taking into account the type of actions carried out, the nature and the dimension of the legal entity;
- specific protocols aimed at planning the training and implementation of the legal entity body's decisions with regard to prevent offenses;
- the identification of the methods of managing the financial resources suitable to prevent the committing of the offenses;
- reporting obligations towards the Supervisory Body;
- introduction and implementation of a disciplinary system suitable for sanctioning non-compliance with the measures indicated in the 231 Model;
- periodic inspections and procedures to amend the 231 Model in case when significant violations of the legal requirements are discovered or if significant changes occur in the organization or activity of the legal entity.

### 1.3 SANCTIONS

The judge on criminal cases who takes decision on legal liability of individuals shall assess the legal entity's liability and corresponding use of sanctions.

The administrative sanctions provided for by Legislative Decree 231/2001 in Articles. 9 ss. are divided into:

➤ **Financial penalties.**

The financial penalties shall apply in all cases when administrative liability of the legal entity is recognized. It is calculated in accordance with a quota system.

In determining the financial penalties, the Judge takes into account the financial and economic conditions of the legal entity, the seriousness of the offense, its degree of responsibility and the actions carried out by the entity to eliminate or mitigate the consequences of the offense, as well as the actions aimed to prevent the committing of such offenses in the future.

Art. 12 Legislative Decree 231/01 illustrates cases when financial penalty can be reduced:

- an offender has committed an action in the best interests of himself or of a third party and the legal entity has not benefited from it or a minimal advantage has derived from it;
- a material damage caused is particularly insignificant;
- during the pre-trial procedure at first instance, the legal entity fully compensated damages and eliminated the harmful or dangerous consequences of an offense or in any case effectively worked in this regard;
- where, before the declaration of the opening of the trial at first instance, an organizational model has been adopted and made operational to prevent s of the kind that occurred.

## ➤ Bans.

In some cases, bans may also be applied in addition to financial penalties. It applies exclusively with regard to offenses expressly envisaged by law.

The bans provided for by the Decree are:

- prohibition to exercise business activity;
- suspension or revocation of authorizations, licenses or concessions functional to the commission of the offense;
- prohibition of contracting with the Public Administration, except for to obtain the provisions of a public service;
- exclusion from benefits, loans, contributions and subsidies, or the revocation of any concessions already granted;
- prohibition to advertise goods or services.

These bans shall be imposed where at least one of the following conditions is met:

- the legal entity has significantly benefited from an offense which was committed by top managers or by subordinates, provided such an offense was resulted from serious organizational deficiencies;
- in the event of recurrence of an offense.

However, the bans cannot be applied in the mitigated cases examined above where the financial damage caused is particularly minor or the offender has committed an act in the best interest of himself or of third parties and the legal entity has not benefited from it or has obtained a minimum advantage from it.

Without prejudice to the application of financial penalties, the bans also shall not apply where all of the following conditions are met within a pre-trial procedure:

- the legal entity has fully compensated for the damage and has eliminated the harmful or dangerous consequences of an offense or has in any case effectively worked in this regard;
- the legal entity has eliminated the organizational deficiencies that led to the offense through the adoption of an appropriate organizational modelsto prevent offenses of the same kind that occurred;
- the legal entity has made available the profit obtained for the purposes of confiscation.

Bans are, in principle, temporary.

However, in the event that the legal entity has significantly profited from an offense and a temporary ban on its activity had been imposed on it, at least three times, in the last seven years, this sanction may be resulted in a total ban.

In the same way, the Judge may compel the legal entity to prohibit entering into contracts with the public administration or to prohibit advertising goods or services provided the legal entity has already been imposed to the same sanction at least three times in the last seven years.

The total ban on the activity is always ordered if the legal entity or one of its organizational units is permanently used for the sole/primary purpose to commit or facilitate offenses in relation to which its responsibility is foreseen.

In cases where the conditions for the total ban existand it provides public services or services of public utility interruption of which may cause a serious harm to the society, or in case of the importance of the legal entity's dimension and the economic conditions of the territory in which it is

located, that may have a significant impact on employment, the Judge is entitled, instead of imposing bans, to decide on continuation of the legal entity's activity under the supervision of a commissioner for a period equal to the duration of the sanction that would have been imposed.

The bans can also be imposed as a form of precautionary measure during the criminal proceedings, at the request of the Public Prosecutor, in the event that there are serious grounds indicating the legal entity's liability or there are signs evidencing that offenses of the same nature will be committed in the future.

➤ Confiscation.

The judgement shall always followed by confiscation of the value or profit obtained from an offense committed, except for the part that can be returned to the injured party and without prejudice to the rights acquired by third parties in good faith.

Where it is not possible to carry out the confiscation of the goods which constituted the value or profit of the offense, it may also relate to sums of money, property or other benefits of equivalent value.

➤ Publication of the judgment.

The publication, even if only by extract, at the expense of the offender - the legal entity, can be ordered by the judge provided the ban is imposed.

## 2. CIVITANAVI SYSTEMS S.p.a.

CIVITANAVI is an Italian company, based in Pedaso (63827), Via del Progresso n. 5; it provides inertial solutions at national level and is quickly growing on the international market for generating its specialized products.

The company was founded in 2012 with an aim to become a leading player in the supply of design, development, production and consulting in relation to high-tech georeference inertial navigation solutions and stabilization systems for both industrial and defense (dual-use) use.

Since 2022 CIVITANAVI is a company listed on Euronext Milano and is controlled by CIVITANAVI SYSTEMS Ltd (*holding company*) which unites an international *pool* of strategic investors (v. *company profile* on [www.civitanavi.com](http://www.civitanavi.com)).

### **3. THE CIVITANAVI SYSTEMS S.p.a. 231 MODEL**

In observance with Legislative Decree 231/01, CIVITANAVI is deemed to be in compliance with its company's policy to proceed with the adoption of the Organization, Management and Control Model.

The purpose of the 231 Model is the definition of a structured and integral system of prevention, management and control, aimed at reducing the risk of committing offenses, through the identification of sensitive activities, defined as activities mainly of " risk", and their corresponding regulation.

At the methodological level, the CONFINDUSTRIA guidelines on the introduction of organizational models of June 2021 were also taken into consideration.

#### **3.1. REALISATION, IMPLEMENTATION AND MODIFICATION OF THE 231 MODEL**

##### **3.1.1 Risk assessment**

The first step for introduction of the 231 Model is the risk assessment, that means identification and evaluation of the factors that, in the context of the different activities of the Company, can determine the risk of committing the offenses envisaged in Legislative Decree no. 231/2001.

The Company's structure has been analyzed in detailed way in order to identify sensitive areas and activities for the prevention of offenses with regard to relations and internal operational structures of the Company, relations including contactual with third parties (that are not belong to the Company's organization, like consultants, customers, suppliers and partners of any other kind).

The in-depth survey of the organizational structure and social activities, carried out with the help of legal consultants, firstly required the examination of the company documentation (like certificate of registration issued by the chamber of commerce, organizational chart, organizational provisions, procedures, etc.).

Subsequently, a series of interviews were conducted with the key managers resulting from the Company's organization chart, aimed at providing an effective and complete picture of the Company's activity, its articulations and the aspects characterizing each management and operational process.

In particular, the following employees were interviewed:

- ❖ the Chief Executive Officer;
- ❖ the Chief Financial Officer;
- ❖ the Supervisor for administrative activity;
- ❖ the CTO;
- ❖ the Executive Vice-President for Institutional Strategies and Relations;
- ❖ the Head of Design Verification Engineering;
- ❖ the Director of the Engineering Area;
- ❖ the H.R. Manager;
- ❖ the Quality manager;
- ❖ the the Prevention and Protection Service manager;
- ❖ the IT administrator – Head of Information Systems and IT security;

- ❖ the Manufacturing Manager;
- ❖ the Operations Manager;
- ❖ the Product and Manufacturing Engineering Manager;
- ❖ the Logistics Officer;
- ❖ the Procurement and Logistics Manager;
- ❖ the Production Manager and Proposal Program Manager

All individual interviews have been recorded and attached to this General Part (**Annex 2 – Interviews with key managers**).

The "mapping of risk areas" focused on the following aspects:

- identification of the types of activity;
- identification of the internal Company's units responsible for the business processes;
- identification of the predicate offense;
- the ways in which such offenses might be committed;
- analysis of the degree of probability of the committing offenses highlighted with regard to both the type of market and the history of the Company;
- analysis of the severity of the applicable sanctions, assessed in relation to the hypothetical impact on the Company's corporate activity;
- analysis of the risk level related to each individual predicate offense, assessed according to the degree of probability of the committing the offense and the seriousness of the applicable sanctions;
- analysis of the tools already existing in the Company to control the risk of committing offenses;
- evidence of the improvement of the offenses prevention system and the system of verification types of activities of to be controlled by the SB.

The results of the mapping activity (which has also considered the risk assessment carried out in the preparation of the Prospectus for listing on the stock exchange) have been transformed into a specific **Synoptic Table of risk mapping** attached to this General Part (**Annex 3**).

### 3.1.2 Identification of sensitive areas and activities

The risk assessment activity is required for identification of the Company's sensitive activities, i.e. the segments of activity most exposed to the risk of committing the offenses.

As a result of the risk mapping, it appears that sensitive activities currently concern the following categories of offenses:

- A. Offenses in relations with the Public Administration – Artt. 24, 25 and 25 *decies* of Legislative Decree 231/2001;
- B. Corporate offenses – Art. 25 *ter* of Legislative Decree 231/2001;
- C. Offenses relating to health and safety at work – Art. 25 *septies* D.lgs. 231/2001;
- D. Digital offenses and unlawful processing of data; offenses regarding copyright infringement – Art. 24 *bis* and art. 25 *novies* D.lgs. 231/2001;
- E. Tax offenses - Art. 25 *quinqüesdecies* D.lgs. 231/2001;
- F. Environmental offenses– Art. 25 *undecies* D.Lgs. 231/2001;
- G. Offenses against industry and commerce; offenses relating to industrial property – Art. 25 *bis* and 25 *bis*.1;
- H. Customs' offenses– Art. 25 *sexdecies* D.Lgs. 231/2001;
- I. Market abuse - Art. 25 *sexies* D.Lgs. 231/2001;

- J. Receiving stolen goods, money laundering, self-laundering and offenses relating to means of payment other than cash – Artt. 25 *octies* and 25 *octies.1* D.Lgs. 231/2001.

Each of these categories of offenses are included in a Special Part of the 231 Model, to integrate all the systems already existed in the Company.

With regard to the additional categories of offenses, not included among those listed above, the principles envisaged by the Code of Ethics of Ethics, the general principles of control, the principles indicated in the Special Parts of this Model and the preventive measures referred to therein are valid as suitable safeguards to prevent and handle the related risk.

In any case, the Company will promptly implement and update the 231 Model including the Special Part provided a new type of responsibility occurs or sensitive parts of activity related to the categories of offenses already evaluated are changed.

### **3.1.3 Risk Management and Gap Analysis**

Once the sensitive areas of the Company and the risk profiles have been identified, it is necessary to manage or govern this risk, in order to avoid the occurrence of the Company's responsibility.

Taking into account the map of sensitive processes, as identified above, the procedures and safeguards already adopted, the degree of effectiveness of the management and control system already in place were verified, in order to identify any critical points with respect to the prevention of the risk.

The mapping of the risk consists the basis of the so-called *gap analysis*, that is, the recognition of the necessary safeguards and procedures to be adopted to strengthen and improve the prevention of the predicate offense.

In addition, risk mapping is also the fundamental scheme for the verification, by the SB, of the constant application and implementation of the prevention measures already prepared by the Company.

### **3.1.4 Adoption and amendments of the 231 Model**

The Board of Directors is competent for the adoption and any subsequent amendments and additions to the 231 Model, based on the experience and guidelines of the SB.

The effective implementation of the 231 Model requires its adaptation both as a result of regulatory changes and on the basis of the Company's organizational and production changes in a perspective of constant updating of the Model itself.

The Supervisory Body proposes to the Board of Directors any appropriate amendments or supplements to the 231 Model following the performance of its functions.

By way of example, the adaptation of the 231 Model will be necessary in case of:

- changes in the organizational structure of the Company or in the methods of carrying out operational activities that determine a change in the risk of committing offenses, with a direct impact on the internal control system;
- regulatory changes, for example in the event of an extension of the catalogue of predicate offenses or the related sanctions;
- violations of the 231 Model, in the event that one of the predicate offenses has actually been committed or business activities contradicted provisions of the 231 Model.

The Board of Directors shall notify the Supervisory Body about all amendments and supplements to the 231 Model and the documents referred to therein.

### **3.1.5 Dissemination of the 231 Model and training of Company's units**

In order to ensure the full effectiveness of the Model, the Company ensures wide dissemination among the existing resources of the Company and for those to be hired, of the rules of conduct contained therein. The adoption and updating of the Model is adequately announced in the Company by the Company Management.

In addition, the 231 Model is made available to all Company's units in electronic or paper format by Administration Office.

The training activity aimed at spreading knowledge of the legislation referred to in Legislative Decree 231/2001 and the principles of the 231 Model can take place on the occasion of the beginning of the employment relationship, as part of training on health and safety at work or through periodic refresher courses.

The training activity performs the task of illustrating to the company functions the principles of Legislative Decree 231/01, the elements that make up the 231 Model, the principles of the Code of Ethics, the individual types of provided for by Legislative Decree 231/01 and the Activities of the Company considered sensitive in relation to the predicate offenses.

The participation of company functions in training programs is mandatory and cannot be separated from the performance of an activity to verify the degree of knowledge of the Model and of the company prevention devices by the functions of CIVITANAVI SYSTEMS S.p.a..

### **3.2 THE MANAGEMENT AND CONTROL SYSTEM OF CIVITANAVI SYSTEMS S.P.A.**

The Management and Control System that governs the decision-making and operational processes of CIVITANAVI is articulated into the following components, individually analyzed in the following paragraphs:

- ❖ the Code of Ethics;
- ❖ corporate *governance* ;
- ❖ the company organization chart;
- ❖ the general principles of control and the general principles of conduct;
- ❖ the Quality Management System (based on ISO 9001:2015 certification) as well as EC 9100:2016 (specific for the aeronautical sector) and ISO 45001:2018 (Safety and health at work);
- ❖ prevention measures.

Some components of the Management and Control System are of general value, as they are used to oversee all 231 risk areas of the Company. In particular, these are the Code of Ethics, corporate *governance* , the company organization chart and the general principles of control.

On the other hand, the other components (the general principles of behavior and the prevention measures) are declined differently depending on the individual risk areas, having to stick to the peculiarities of the different categories of s assumed.

In addition, some specific components of the Quality Management System are also used to oversee certain specific risk areas.

The individual Special Parts will therefore highlight the general principles of conduct, the prevention measures and the specific components of the Quality Management System applicable to the different categories of s.

As already illustrated, as a result of the mapping of sensitive processes, the degree of effectiveness of the Management and Control System already in place was verified and the recognition of the necessary safeguards and procedures to be adopted to strengthen and improve the prevention of the predicate offenses was conducted.

During its supervisory activity, the SB verifies the constant application of the prevention measures prepared and the implementation of those whose need for adoption emerges.

### **3.2.1. The Code of Ethics**

The CIVITANAVI Code of Ethics expresses the values and ethical principles to which the Company inspires its entrepreneurial action, both in internal relations with the Company and in relations with external subjects, public or private, with the aim of ensuring transparency, correctness, integrity of the work and services offered by the Company.

The Code of Ethics affirms, as a founding principle of the Company's work, strict compliance with the laws and regulations applicable to the Company's areas of operation and establishes the principles of conduct to which all recipients must comply in the daily performance of their work activities and their duties.

The Code of Ethics is an integral and substantial part of the 231 Model.

Compliance with the principles and guidelines indicated in the Code of Ethics is required for all those who have any form of employment or commercial relationship with the Company or, more generally, are stakeholders towards the Company.

This obligation is to be considered an essential element of the work performance.

The members of the Board of Directors, in setting business objectives, are inspired by the principles of the Company's Code of Ethics.

Since the observance by all Recipients of this Model, within the scope of their functions and responsibilities, of the canons of conduct contained in the Code of Ethics, is important, both for the proper functioning and reliability of the Company, and for the protection of the prestige and image of the same, the Company ensures a full knowledge and understanding of the Code of Ethics by all Recipients through the adoption of training procedures and awareness of its contents.

The Company requires its *business partners* (suppliers, collaborators, commercial or financial partners, consultants, agents), who have relations with the Company, to comply with the principles set out in the Code of Ethics itself, by requiring the signing of specific contractual clauses.

The violation of the Code of Ethics by the company functions constitutes a disciplinary offense as well as the violation of the provisions of this 231 Model.

## **3.2.2 Corporate governance**

### **3.2.2.1 The Board of Directors**

CIVITANAVI is administered by a Board of Directors.

The Board of Directors is composed of the Chairman and six directors (three of whom are independent).

The Board, as a collegial body, has all the widest powers for the ordinary and extraordinary management of the Company, in Italy and abroad, necessary and useful for the achievement of the corporate purpose, excluding only the power to perform the acts reserved for the shareholders' meeting by the Articles of Association and by law.

As part of the Board of Directors, the Nomination and Remuneration Committee and the Control and Risk Committee and Transactions with related parties have been established (in accordance with the *Corporate Governance Code*).

The Manager in charge of preparing the company's accounting documents (appointed in accordance with Article 154 *bis* of Legislative Decree no. 58/1998) is in charge of implementing the administrative-accounting procedures that regulate the formation of periodic financial information.

### **3.2.2.2 The Control functions**

The control function over the company's management is entrusted to a Board of Statutory Auditors.

BDO Italia S.p.A., with registered office in Milan, Viale Abruzzi 94, registered in 167991 of the Register of Statutory Auditors, is the auditing company in charge of the statutory audit of the Issuer's accounts.

The Head of the Internal Audit function is responsible for verifying the operation and suitability of the internal control and risk management system.

## **3.2.3 The Company Organization Chart**

The Company has outlined its organizational structure by defining a company organizational chart which illustrates the areas in which the company's activity is articulated, the lines of hierarchical dependence of the individual company areas and the different organizational roles of the company functions.

The Company takes care to update the organization chart punctually according to the changes that occur in the company's organizational structure.

The organization chart is attached to this 231 Model, of which it is an integral and substantial part (**Annex 4** – Organization Chart).

### 3.2.4 General principles of control and General principles of conduct

The Company's Management and Control System is based on the implementation of the principles codified in this 231 Model, which are divided into two levels:

- ✓ **General principles of control**, which govern the performance of any business activity, regardless of the degree of relevance of the individual types of or the degree of risk underlying each of the sensitive activities identified.

These are the following principles:

- **Segregation of duties**: there must be segregation of duties between those who perform, who controls and who authorizes the operations;
  - **Existence of rules and regulations**: there must be company provisions suitable to provide at least general reference principles for the regulation of activities, responsibilities and controls;
  - **Traceability and Verifiability**: the subjects, the company functions concerned and the information systems used must ensure the identification and reconstruction of the sources, information elements and controls carried out that support the formation and implementation of the Company's decisions and the methods of managing financial resources;
  - **Archiving and keeping of documents**: documents relating to the Company's activities must always be archived and preserved, by the competent company function and in such a way as to ensure the protection of confidentiality and not allow subsequent modification, unless giving specific evidence and allowing access only to the competent company functions, according to internal regulations, and to the subjects in charge of control.
- 
- ✓ **General principles of conduct**, which provide for particular provisions aimed at guiding the methods of formation and implementation of decisions, within each of the families of considered relevant for the Company and subject to the individual Special Parts of this 231 Model.

Compliance with the general principles of control and the general principles of conduct is binding for all the Recipients of the Model and the related violation constitutes a disciplinary offense liable to be sanctioned pursuant to the provisions set out in the Chapter dedicated to the Sanctioning System.

### 3.2.5 Management systems

CIVITANAVI has strategically decided to adopt a **Quality Management System**, based not only on ISO 9001:2015 certification but also on EC 9100:2016 certifications (specific for the aeronautical sector) and ISO 45001:2018 (Safety and health at work).

The Quality Control activities are subject to specific commitment by the Company, which makes use of an organizational structure articulated in order to comply with the legislation on Quality and constantly makes use of specific procedures adopted for this purpose.

Both Management Systems are at the same time useful tools to mitigate the risk of committing the predicate offenses and represent a solid basis to implement the controls to be carried out pursuant to the Decree and on which to build and update their Model.

### 3.2.6 Prevention measures

The prevention measures adopted by the Company constitute the set of rules to be followed in the performance of company activities. These rules represent the reference discipline also for the management of sensitive activities in line with the provisions of the applicable rules and the 231 Model.

The CIVITANAVI prevention measures are divided into:

- ❖ documents: all company documents that contain the reference principles aimed at achieving the company's fundamental objectives or that identify operational roles, responsibilities, phases and information flows concerning company activities or within a process or a part of it.
- ❖ Software: any type of application program in use in the company and responsible for regulating one or more segments of the company's activity.

the main documents in use in the company:

- ✓ *Policy on the Corporate Governance System and Proxies;*
- ✓ *the Anti-Corruption procedure;*
- ✓ *the procedure Transactions with related parties;*
- ✓ *the procedure Management of financial flows;*
- ✓ *the administrative-accounting procedures, provided for the preparation of the financial statements pursuant to Article 154 bis, iii paragraph, Legislative Decree no. 58/1998, and which regulate the formation of periodic financial information pursuant to Law no. 262/2005;*
- ✓ *the Tax Compliance procedure;*
- ✓ *the Export Compliance and Management program (in relation to General Export Authorizations);*
- ✓ *the Internal Dealing procedure;*
- ✓ *the procedure for the disclosure of inside information;*
- ✓ *the DVR and procedures for the management of safety in the workplace;*
- ✓ *the manual and documentation of the Quality Management System – Health and Safety (drawn up in accordance with the provisions of the UNI EN ISO 9001: 2015 standards; AS/EN 9100:2018 and UNI EC ISO 45001:2018). Considering the general impact on the prevention of predicate offenses, we can mention, among others:*
  - *Documentation management procedure;*
  - *Commercial procedure;*
  - *Design management procedure;*
  - *Production management procedure;*
  - *Procurement management procedure;*
  - *Warehouse management procedure;*
  - *Programme management procedure;*
  - *Human Resources Management Procedure;*
  - *Prevention of counterfeit/fraudulent parts;*
  - *Maintenance management;*
  - *Management of emergencies, accidents, near-misses;*
  - *Management of hazardous substances;*
  - *Management of the candidate selection process.*

The main types of **software** in use in the company are:

- ✓ MICROSOFT DYNAMICS CENTRAL, ENOVIA PLM, APEX, in the administration, production, commercial, personnel and management control area;
- ✓ RED POINT for safety at work;
- ✓ OASIS for the management and evaluation of processes.

As part of the verification of the effectiveness of the Management and Control System in force within the Company, the reference document and management facilities have been identified for each individual risk area.

The outcome of this analysis is documented in **the Synoptic Table of risk mapping** mentioned above (Annex 3).

In addition, the specific reference devices for the various 231 risk areas are referred to in the individual Special Parts.

It is under the Sb responsibility to verify the constant application and implementation of the prevention measures set by the Company to manage the risk 231.

If critical issues are detected in the concrete application of the safeguards, the Company will promptly adapt them to adapt them to the needs of the 231 Model.

## **4. THE SUPERVISORY BODY**

### **4.1 DEFINITION AND REQUIREMENTS OF THE SB**

As already illustrated in paragraph 1.2, in application of art. 6 Legislative Decree no. 231/2001 the exemption from the administrative liability of the Entity requires that the task of supervising the functioning and compliance with the Model and of taking care of its updating is entrusted to a corporate body with autonomous powers of initiative and control and that this body, once appointed, performs its tasks effectively, without being omitted or insufficient supervision.

In accordance with this regulatory provision, CIVITANAVI has identified a Monocratic or collegial Supervisory Body (in the body of the 231 Model often also "SB").

The Supervisory Body must meet the requirements that have been recognized over time as essential in the Context of the Guidelines of the main trade associations and jurisprudence on the subject, which can be identified as follows:

- autonomy;
- independence;
- professionalism;
- good repute;
- continuity of action.

The **autonomy** of the SB consists in the autonomy of the control initiative with respect to any form of interference or conditioning by any exponent of the Company and, in particular, of the administrative body.

To protect the effective autonomy, the SB has its own *budget*, which it can request integration from the Board of Directors, if necessary, and which it can dispose of for the proper performance of the tasks.

**Independence**, for its part, implies that the SB is extraneous to the management activities that are the subject of its control activity and that it does not carry out operational tasks that may limit the overview of the business activity that is required of it.

The requirement of **professionalism** translates into the technical capabilities of the SB to perform its functions with respect to the supervision of the Model, as well as the necessary qualities to ensure the constant updating of the 231 Model itself, through proposals for updating to be addressed to the Board of Directors.

With regard to the profile of **good repute**, reference is made to the need that the members of the SB have not reported criminal sentences, even if not definitive, of conviction or plea bargain for s presupposed 231 or the sentence to a penalty that imports the interdiction, even temporary, from public offices or the temporary interdiction from the management offices of legal persons or companies.

Finally, with reference to the **continuity of action**, the SB must constantly monitor compliance with the Model, verify its effectiveness, promote its continuous updating and represent a constant reference for every person who works for the Company.

The Supervisory Body, in carrying out the tasks entrusted to it, under its direct supervision and responsibility and within the limits of the assigned budget, may benefit from the collaboration of all company functions, or external consultants, making use of their respective skills and professionalism. This faculty allows the Supervisory Body to ensure a high level of professionalism and the necessary continuity of action.

## **4.2 APPOINTMENT, REVOCATION AND RESIGNATION OF THE MEMBERS OF THE SUPERVISORY BODY**

The Supervisory Body of the Company is appointed by resolution of the Board of Directors, which, before appointment, verifies the recurrence of the requirements indicated in the previous paragraph for the candidates.

The Company may opt for a monocratic Body, as long as it meets the requirements set out in point 4.1 of the Model, or collegial, composed of three members, at least two of whom are external to the Company.

The designated Supervisory Body remains in office for three years from the appointment. The member (or members, in the case of a collegial body) can always be re-elected and in any case the Body remains in operation until the appointment of the new Body.

The revocation of the member or members of the SB is the responsibility of the Board of Directors and is allowed only for just cause.

Revocation for just cause means:

- ✓ the failure of the indefectible requirements of the components of the SB indicated in the previous paragraph;
- ✓ disqualification or incapacitation, or a serious infirmity that renders the subject unfit to perform his supervisory functions;
- ✓ a serious failure to fulfil its duties as defined in this Model;

- ✓ a sentence condemning the Company pursuant to Decree no. 231/2001, which has the force of *res judicata*, or a criminal proceeding concluded through the so-called "plea bargain", where it appears from the documents the "omitted or insufficient supervision" by the Supervisory Body, chargeable to it, in accordance with the provisions of art. 6, paragraph 1, letter d) of the Decree;
- ✓ a sentence of conviction that has the force of *res judicata* against one of the members of the SB, for having personally committed one of the s provided for by the Decree;
- ✓ a sentence of conviction that has become final, to a penalty that involves the interdiction, even temporary, from public offices, or the temporary interdiction from the management offices of legal persons and companies;
- ✓ the violation of the duty of confidentiality relating to the identity of the company functions that report significant unlawful conduct pursuant to Legislative Decree 231/2001 or violations of the Model;
- ✓ if one of the members of the SB is linked by relationships of dependence with the Company, the occurrence of causes of termination of the employment relationship.

Once the revocation of a member of the SB has been ordered, the Board of Directors appoints the new member to replace the one whose mandate has been revoked.

In the event that a sentence of conviction has been issued, the Board of Directors, pending the final passage of the judgment, may also order the suspension of the powers of the Supervisory Body and the appointment of an *interim* Supervisory Body.

The waiver by the members of the Supervisory Body may be exercised at any time and must be communicated to the Board of Directors in writing together with the reasons that determined it.

If, during the office, a member of the SB renounces his office, the Board of Directors appoints a new member.

#### **4.3 FUNCTIONS AND POWERS OF THE SUPERVISORY BODY**

The SB is given the powers of initiative and control necessary to ensure effective and efficient supervision of the operation and compliance with the 231 Model in accordance with the provisions of art. 6 of Legislative Decree no. 231/2001.

In particular, the SB must supervise:

- the adequacy and effectiveness of the 231 Model with respect to the need to prevent the commission of predicate offenses, also taking into account the size and organizational and operational complexity of the Company;
- compliance with the requirements of the 231 Model by the Recipients, detecting any violations and proposing the related corrective or sanctioning actions to the competent company bodies;
- on the updating of the 231 Model in the event that there are adjustment needs in relation to changed company or regulatory conditions, proposing any adjustment actions to the Board of Directors and verifying their implementation.

For the performance and exercise of its functions, the SB shall be assigned the tasks and powers of:

- access all the Company's organizational structures and all relevant company documentation for the purpose of verifying the adequacy and compliance with the Model;
- request from the company departments concerned, in particular those who work in business areas at potential risk-, the information deemed relevant for the purpose of verifying the adequacy and effectiveness of the Model;
- periodically carry out targeted sample checks on specific activities and operations at risk and on compliance with the control measures adopted and recalled by the Model;
- agree with the company function concerned the appropriate corrective actions where, as a result of the checks, a critical condition is detected;
- periodically report to the Board of Directors any violations of 231 Model or of the control measures referred to in 231 Model or the deficiencies detected during the checks carried out, so that the necessary adjustment measures can be adopted;
- update the Board of Directors on regulatory or jurisprudential developments relevant to the application of 231 Model;
- promote the updating of risk mapping in the event of significant organizational changes or extension of the type of s taken into account by Legislative Decree 231/2001;
- evaluate the adequacy of the control measures in force and define any proposals for adaptation and improvement, verifying, subsequently, their implementation;
- monitor and promote information and training initiatives aimed at spreading knowledge of 231 Model within the company;
- receive detailed reports of illegal conduct, relevant pursuant to Legislative Decree 231/2001 and based on precise and consistent factual elements, or violations of the Model, ensuring confidentiality on the identity of the whistleblower;
- conduct investigation activities to ascertain violations of the provisions of 231 Model following reports received;
- supervise the consistent application of the sanctions provided for by internal regulations in cases of violation of 231 Model, without prejudice to the competence of the corporate bodies for the application of sanctioning measures.

The SB is authorized to acquire and process all the information, data, documents and correspondence concerning the activities carried out in the individual business areas and deemed necessary for the performance of its activities, in compliance with current regulations on the processing of personal data.

The SB has to draw up and keep the minutes of each activity conducted and all the documentation produced.

The definition of the aspects relating to the methods of carrying out the task of the SB, such as the scheduling of activities, the recording of meetings and the regulation of information flows by the company functions concerned, is left to the SB itself, which provides by adopting an internal Regulation.

## 4.4 INFORMATION FLOWS TO THE SUPERVISORY BODY

### 4.4.1 Reporting obligations

All company functions are obliged to report to the SB the relevant unlawful conduct pursuant to Legislative Decree 231/2001 and violations of the Model of which they have become aware in the performance of their function (so-called "reports").

In any case, all subjects operating on behalf of the Company have the obligation to transmit to the SB all the information relating to events that could generate violations of the Model, of the prevention devices referred to therein and of the Code of Ethics in relation to the s provided for by Legislative Decree 231/01.

Reports of s of relevance 231 and violations of the Model must be detailed and based on precise and consistent factual elements

The SB can also consider anonymous reports only if they are adequately detailed, that is, where they are able to bring out facts and situations relating them to specific contexts.

Reports based on mere rumours or suspicions will not be considered.

The Company makes available to the Recipients two alternative channels to allow the flow of reports:

- ✓ the e-mail box [odv231@civitanavi.com](mailto:odv231@civitanavi.com);
- ✓ by mail: CIVITANAVI SYSTEMS S.p.a., Via del Progresso n 5, Pedaso 63827 (FM).
- ✓ If the subject of the report concerns the SB, the report itself is addressed exclusively by mail to CIVITANAVI SYSTEMS S.p.a., Board of Directors, Via del Progresso n 5, Pedaso 63827 (FM);
- ✓ If, after the internal assessment activity conducted by the SB or at the end of a criminal, civil or administrative proceeding, the report is unfounded and it also appears that it was carried out with intent or gross negligence, the whistleblower is sanctioned, following disciplinary proceedings, as indicated in the following chapter.

### 4.4.2 Whistleblowing

In accordance with art. 6, paragraph 2 *bis* of Legislative Decree 231/2001, all company functions and all those who work for the Company are required to ensure the confidentiality of the identity of company subjects who report significant illegal conduct pursuant to Legislative Decree 231/2001 or violations of the Model.

Such confidentiality shall be ensured during all stages of the alert management, in order to avoid any act of retaliation or discrimination, direct or indirect, against the reporter for reasons related, directly or indirectly, to the report.

In compliance with the duty of confidentiality, the information acquired by the SB will be treated in such a way as to guarantee:

- ✓ respect for the confidentiality of the identity of the reporting person and of the report submitted;
- ✓ the non-occurrence of acts of retaliation, penalization or discrimination against whistleblowers;
- ✓ the protection of the rights of subjects in relation to whom reports have been made.

Any information, report or report is kept by the SB in a strictly confidential archive.

Where, in the context of disciplinary proceedings, the dispute is based, in whole or in part, on the reporting and knowledge of the identity of the whistleblower is indispensable for the defence of the accused, the report may be used for the purposes of disciplinary proceedings only if the whistleblower consents to the disclosure of his identity.

The person responsible for the disciplinary proceedings is burdened with the same duties of conduct, aimed at protecting the confidentiality of the whistleblower, to which the members of the SB are bound.

It is strictly forbidden for any company function, of any order and degree, to engage in acts of retaliation or discrimination, direct or indirect, against another business function that has reported significant unlawful conduct pursuant to Legislative Decree 231/2001 or violations of the Model, for reasons related, directly or indirectly, to the report.

Therefore, both the retaliatory or discriminatory dismissal of the reporting agent and the change of duties pursuant to Article 2103 of the .c. as well as any other retaliatory or discriminatory measure adopted against the whistleblower are to be considered null and void in any legal effect.

Any business function that undertakes retaliatory or discriminatory initiatives against the whistleblower or in any case, in general, violates the duty of confidentiality and the measures to protect the identity of the whistleblower constitutes a disciplinary offense and is therefore punishable as indicated in the following chapter.

Company functions that suffer retaliatory or discriminatory measures as a result of reporting predicate offenses or violations of the Model may report these measures to the National Labour Inspectorate, either personally or through the trade unions indicated by them.

The SB will evaluate the reports received with discretion and responsibility, processing the data and documents subject to the report in compliance with the legislation on the protection of personal data.

To this end, it may listen to the author of the report or the person responsible for the predicate offense and carry out the appropriate investigations.

The violation of the duty of confidentiality and of the measures to protect the identity of the whistleblower is a just cause for revocation of the components of the SB.

#### **4.4.3 Information requirements**

In addition to the above reports and the provisions of the individual Special Parts, useful information must be transmitted to the Supervisory Body, at a general level, to facilitate the supervision of the suitability and effectiveness of the Code of Ethics, 231 Model and the prevention measures referred to therein.

The concrete details of the information to be transmitted to the SB are specifically defined in the "*Information flows to the Supervisory Body*" procedure, as well as in the individual Special Parts of this Model.

By way of example, the main types of information that must be transmitted to the SB are the following:

- ✓ anomalies or critical issues found in the performance of work activities, with reference to the risk areas identified in the Model;

- ✓ the violation of the prevention measures adopted by the Company;
- ✓ the measures or news coming from judicial police bodies or from any other authority, from which it is possible to carry out investigations or criminal proceedings, including against unknown persons, for the s referred to in Legislative Decree 231/2001 concerning the Company and the recipients of the Model;
- ✓ the outcome of the judicial investigations relating to relevant s pursuant to the Decree;
- ✓ information relating to visits, inspections and investigations initiated by the competent Administrations;
- ✓ the disciplinary proceedings carried out, any sanctions imposed or the measures to close these proceedings with the relative reasons, in the event that they fall within the scope of application of the Decree;
- ✓ the lack of cooperation on the part of the company functions;
- ✓ changes in the composition of the corporate bodies and the corporate organizational structure;
- ✓ any information deemed useful and appropriate for the purpose of carrying out the functions of the SB.

#### **4.5 REPORTING OF THE SB TO THE OTHER CORPORATE BODIES**

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

In particular, the SB transmits to the Board of Directors:

- at least annually an information report, relating to the activity carried out;
- to the occurrence of ascertained violations of the Model, with predicate commission of s, a communication as far as it is competent.

In any case, the Supervisory Body has the right to request its hearing from the Board of Directors, if it deems it necessary.

For its part, the Board of Directors has the right to convene the Supervisory Body if it deems it appropriate.

As part of the periodic *reporting* , the following aspects are highlighted:

- the checks and inspections carried out by the SB and the outcome of the same;
- any critical issues that have emerged;
- the progress of any corrective and improving interventions of the Model;
- any legislative innovations or organizational changes that require updates in the identification of risks or changes to the Model;
- any disciplinary sanctions imposed by the competent bodies as a result of violations of the Model;
- any reports received from internal and external subjects during the period regarding predicate offenses of 231 Model or the Code of Ethics;
- other information deemed significant.

Meetings with the corporate bodies to which the Supervisory Body reports must be documented. The SB takes care of the archiving of the related documentation.

Apart from what concerns the relations with the Board of Directors, following communications received from the SB, the company departments concerned are active to eliminate the critical issues indicated by providing, if necessary, to modify or update the parts of the Model concerned. They then provide timely communication of the solutions adopted to the SB.

In the event that, from the investigations carried out by the Supervisory Body, elements emerge that can trace the commission of the or the attempt to commit the to one or more directors, the Supervisory Body must promptly report to the Control and Risk Committee, and through it to the Board of Directors, and to the Board of Statutory Auditors.

## **5. DISCIPLINARY AND SANCTIONING SYSTEM**

### **5.1 GENERAL PRINCIPLES**

Pursuant to Articles. 6, paragraph 2, letter e), and 7, paragraph 4, letter .b) of Decree no. 231/2001, the Model can be considered effectively implemented only if it provides for a disciplinary system that is addressed to all its Recipients and that is suitable to sanction non-compliance with the rules and prescriptions indicated therein as well as deriving or consequential from it.

In fact, since the Model and the Code of Ethics – including the prevention measures referred to therein – introduce rules that are in themselves binding on the Recipients, the respective infringements are sanctioned regardless of the actual realization of a or the punishability of the same, as well as the determination of any damage. In other words, the application of the disciplinary system and the related sanctions does not depend on the opening or outcome of any criminal proceedings initiated by the Judicial Authority, as well as the exercise or outcome of any contextual action for liability for compensation.

It is the task of the SB to verify the constant adequacy of the disciplinary system.

### **5.2 VIOLATIONS OF THE MODEL AND THE ETHICAL CODE**

The typical violations that constitute a disciplinary offense and that are subject to disciplinary sanction are the following:

- the commission of s provided for by Legislative Decree no. 231/2001;
- the violation of the provisions of the Model, the Code of Ethics and the prevention measures to which the Model refers;
- the violation or circumvention of the control system put in place by subtracting, destroying or altering the documentation or by preventing the persons in charge and the SB from controlling or accessing the requested information and documentation;
- the lack or untruthful documentation, conservation and control of company activities related to sensitive areas;
- violations of the duty of confidentiality and measures to protect the identity of corporate functions that report predicate offenses or violations of the Model;
- retaliatory or discriminatory initiatives, such as retaliatory or discriminatory dismissals or changes in duties, against company functions that report predicate offenses or violations of the Model;
- reports found to be unfounded and made with intent or gross negligence at the outcome of the internal assessment activity conducted by the SB or at the outcome of the results of criminal, civil or administrative proceedings.

Disciplinary offenses will be subject to the penalties specified in the following paragraphs.

The type and extent of the penalty will be proportionate to the seriousness of the shortcomings.

In particular, the following will be taken into account:

- the circumstances in which the act or omission occurred and took place;
- the subjective element of the agent (willful misconduct, negligence);
- the relevance of the obligations violated;
- the potential of the damage deriving from the Company and the possible application of the sanctions provided for by Legislative Decree no. 231/01;
- the level of hierarchical or technical responsibility of the data subject;
- the presence of aggravating or mitigating circumstances, with particular regard to the previous work performance carried out by the recipient of the Model and the disciplinary precedents;
- any contributory liability of other business functions or third parties in general who have participated in determining the violation.

### **5.3 MEASURES AGAINST EMPLOYEES**

The Model and the Code of Ethics are an expression of the employer's power to issue provisions for the execution and discipline of work (Article 2104 of the Civil Code) and, consequently, the failure to comply with them, by the employees of the Company, as well as, with the particularities of the respective cases, by any workers administered and posted, constitute a breach of the obligations deriving from the employment relationship and therefore a disciplinary offense (art. 2106 of the Civil Code).

The violation of the Model or the Code of Ethics may entail the consequences provided for by current legislation, collective bargaining and the Company Regulations, namely the application of disciplinary sanctions, in addition to compensation for any damage caused.

With regard to employees, therefore, the disciplinary system required by the Decree coincides with the disciplinary system applicable by virtue of the employment contract and the Company Regulations and the sanctions that can be imposed are provided for by current legislation or by the collective bargaining applied which, in the specific case, is represented by the CCNL of the Metalworking and Mechanical Engineering Industry, which provides for the following sanctions:

- verbal warning;
- written warning;
- fine;
- suspension;
- dismissal.

For the application procedure of these sanctions, reference is made to the applicable legislation on the labor law level and to the Company Regulations.

Competence to exercise disciplinary action against the Company's employees, also for the purposes of Legislative Decree. 231/2001, it is up to the company functions with the necessary powers.

In particular, for the purposes of art. 7, paragraph 1, of the "*Workers' Statute*", the Company disseminates this Model and the Code of Ethics, in the manner indicated in paragraph 3.1.5 also by way of integration of the Company Regulations, according to the most suitable methods to reach all the Recipients.

#### **5.4 MEASURES AGAINST DIRECTORS**

The Company rigorously assesses the infringements of this Model put in place by those who represent the top management of the Company. The formation and consolidation of a business ethic sensitive to the values of fairness and transparency presupposes, first of all, that these values are acquired and respected by those who guide the company's choices, in order to constitute an example and stimulus for all the subjects who, at any level, work for the Company.

If violations of the Organization and Management Model and the Code of Ethics by the Directors are found, the Supervisory Body will submit the news of the infringement to the Shareholders' Meeting for the adoption of appropriate protection measures.

#### **5.5 MEASURES AGAINST THE MEMBERS OF THE BOARD OF STATUTORY AUDITORS**

In case of violation of the Organizational Model, the Code of Ethics or the prevention measures of CIVITANAVI by one or more members of the Board of Statutory Auditors, the SB informs the Board of Directors, which takes the most appropriate measures.

However, the Company's right to propose actions for damages against the members of the Board of Statutory Auditors is reserved.

#### **5.6 MEASURES AGAINST THIRD PARTIES (SUPPLIERS, BUSINESS PARTNERS, CONSULTANTS, SELF-EMPLOYED WORKERS)**

Contracts with third parties working on behalf of the Company, such as supply and consultancy contracts, contain clauses of commitment by the third party contractor to comply with the Code of Ethics and the "231 system" of CIVITANAVI SYSTEMS S.p.a..

However, the Company's right to bring actions for damages against third party contractors is reserved.

#### **5.7 MEASURES AGAINST THE SUPERVISORY BODY**

In case of violation of the Organizational Model, the Code of Ethics or the prevention measures of CIVITANAVI by the SB, the Board of Directors takes the appropriate measures including the revocation of the appointment to the body and the consequent appointment of a new Supervisory Body.

## 5.8 COMPENSATION FOR DAMAGES

The violation of the obligations contained in this Model constitutes, as appropriate, a breach of contract or non-contractual offense.

Therefore, if it results in the commission of a predicate offense by one of the Recipients of the Model, the Company reserves the right to claim compensation for any damage suffered.

Attachments	
1	List of Predicate Offences
2	Interviews with Key Managers
3	Synoptic table of risk mapping 231
4	Company Organization Chart