

**Organisation,
Management,
and Control Model
pursuant to Legislative
Decree no. 231/01**

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1 REFERENCE REGULATORY FRAMEWORK

Legislative Decree no. 231/2001 (hereinafter also referred to as the “Decree”), containing the “Regulations on the administrative liability of legal persons, companies and associations, including those without legal personality,” was issued on 8 June 2001.

Legislative Decree 231/2001 is based on the international and EU conventions ratified by our legal system¹, which, in addition to the liability of the perpetrator of the offence, also require legal entities to be subject to additional forms of liability for certain criminal offences (so-called predicate offences), under certain conditions.

Legislative Decree no. 231/2001 introduced a form of liability, defined as “administrative” by the legislature, which has the characteristics of criminal liability, against companies, associations, and legal entities in general, for specific offences and administrative offences committed or attempted to be committed in their interest or to their advantage by persons holding senior management positions, or by Subordinates (article 5(1) of Legislative Decree no. 231/2001) if the commission of the offence was made possible by failure to comply with the management or supervisory obligations.

The administrative liability of the company is different and in addition to the criminal liability of the natural person who committed the offence.

For the entity to be subject to “administrative” liability, the offence must have been committed by Individuals holding senior management positions or by their Subordinates “*in the interest or to the advantage of the company*.”² Conversely, the entity is not liable if the offence was committed by the aforementioned persons in their own exclusive interest, or in the interest of third parties (article 5(1) and (2) of the Decree).³

Pursuant to article 1(2) and (3) of Legislative Decree no. 231/2001, the provisions of the Decree apply to entities endowed with legal personality and to companies and/or associations, including those without legal personality. The State, territorial public entities, other non-economic public entities, and entities that perform functions of constitutional importance are excluded from the rules in question.

Competence for recognising administrative offences committed by legal entities lies with the criminal court. Chapter III of Legislative Decree no. 231/2001 specifically regulates the entire procedure for ascertaining and applying administrative penalties.

The ascertainment of the entity's administrative liability may entail the application of serious and prejudicial penalties for the same, such as:

- **administrative fines**, applied according to a criterion based on “quotas,” the number of which, being not less than one hundred nor greater than one thousand⁴, must be determined by the Judge, following a specific assessment that takes into account (i) the seriousness of the offence, (ii) the degree of the entity's liability, (iii) the activity carried out by the entity to eliminate or mitigate the consequences of the offence and to prevent the commission of further offences. The amount of

¹ The rules were drawn up at the behest of the European Union and the OECD, which have long since adopted conventions on the fight against bribery. The Italian legislature transposed the obligations of these international conventions into Italian law.

² The two requirements of interest and advantage are independent and do not overlap. In particular, in the interpretation of the established case law:

- interest consists of a foreseen undue enrichment of the entity, even if not realised, as a result of the offence, according to a subjective measure. Therefore the existence of this requirement must be ascertained by the judge “*ex ante*”, being at the time when the criminal conduct takes place;
- advantage consists of a benefit objectively achieved through the commission of the offence, even if not foreseen, and therefore has an essentially objective connotation, which, as such, must be verified “*ex post*” based on the concrete effects resulting from the commission of the offence.

³ “Senior Management Figures” are to be understood as persons who hold representation, administration, or management positions with financial and functional independence for the organisation or one of its organisational units, or who exercise *de facto* management and control functions for the entity. “Subordinates” are to be understood as persons subject to the management or supervision of the former.

⁴ With the exception of the provisions of article 25(2) for certain bribery offences, for which the minimum is two hundred.

the individual quotas, ranging from a minimum of € 258.23 to a maximum of € 1,549.37, is established by the judge based on an assessment of the entity's economic and financial conditions;

- **prohibitive penalties** (e.g. the prohibition to engage in business activities; the suspension or revocation of the permits, licenses or concessions functional to the commission of the offence; the prohibition to deal with the Public Administration, except for dealings required to obtain the services of a public service officer; the exclusion from benefits, financing, grants or subsidies, and the possible revocation of those already conceded; and/or the prohibition to advertise goods or services) are applied in the most serious cases, and are only applicable if at least one of the following conditions is met: (i) the entity has made a significant profit from the offence, and the offence was committed by Senior Management, or by Subordinates when the commission of the offence was permitted or facilitated by serious organisational deficiencies; (ii) in the event of repeated offences. These penalties may have a duration of no less than three months and no more than two years, or longer in the cases indicated under article 25(5), as amended by Law no. 3 of 9 January 2019;
- **the confiscation of the price or the profit of the crime**, except for the part that can be returned to the damaged party and without prejudice to the rights acquired by third parties in good faith. In the event that the confiscation of the price or profit of the crime itself is not possible, sums of money, assets, or other utilities of a value equivalent to the price or profit of the crime may also be confiscated;
- **the publication of the sentence** in one more newspapers, in the form of an excerpt or in its entirety, together with billposting in the Municipality where the entity has its headquarters.

These penalties may also be applied as precautionary measures, prior to the ascertainment of the merits concerning the existence of the offence and the administrative offence arising therefrom, if there is serious evidence that the liability of the entity exists, and there is a risk of the offence being repeated.

1.1 Exemption of the Entity from administrative liability

Article 6 of Legislative Decree no.

231/2001 states that the entity is exempt from liability for offences committed by persons in senior management positions, if it is able to prove that:

- prior to the commission of the offence, the management body adopted and effectively implemented an Organisation, Management and Control Model (hereinafter also "Model") suitable for preventing the commission of the offences laid out in the Decree;
- the duties of supervising the functionality and observance of the Model and the updating of the same were entrusted to a body of the legal entity vested with autonomous powers of initiative and control (Supervisory Board);
- the offence was committed by fraudulently circumventing the Model;
- there have not been any omissions or instances of insufficient supervision on the part of the Supervisory Board (hereinafter also referred to as the "SB").

In the case of offences committed by Subordinates, on the other hand, Article 7 of Legislative Decree no. 231/2001 states that the entity is exempt from liability if it has effectively implemented a Model suitable for guaranteeing compliance with the law and for mitigating the risk of offences being committed, based on the type of organisation and the activity carried out. The entity will therefore only be held liable for the offence in the event of a culpable deficiency in its management and supervisory obligations.

The mere adoption of a Model, however, is not sufficient to exempt the Company from liability, as the Model must be effectively implemented as well. In particular, for the purposes of the Model's effective implementation, the Decree states that it must:

- be periodically reviewed and amended in the event of any significant violations of the provisions, or changes to the organisation or the activities conducted;
- identify the activities within the context of which the predicate offences envisaged by Legislative Decree no. 231/2001 may be committed;
- contain specific protocols aimed at planning the training and the implementation of the entity's decisions;
- identify the methods for managing the financial resources suitable for preventing such offences from being committed;
- establish obligations to inform the Supervisory Board of the main corporate events and, in particular, of the activities considered to be at risk;
- provide for the effective application of a disciplinary system suitable for punishing any failures to observe the measures indicated in the model.

1.2 The types of predicate offences

The following is a list of the offences or "families of offences" included in Legislative Decree no. 231/2001 at the date of this document's approval:

- Undue receipt of disbursements, fraud against the State or another public authority of the European Union or for the purpose of obtaining public funds; Computer fraud against the State or another public authority; and fraud in public supply contracts (Art. 24);⁵
- Computer crimes and unlawful data processing (Art. 24-bis);
- Organised crime offences (Art. 24-ter);
- Embezzlement, extortion, undue inducement to give or promise benefits, bribery, and abuse of office (Art. 25);
- Forgery of money, credit cards, revenue stamps, and signs or instruments of identification (Art. 25-bis);
- Crimes against industry and commerce (Art. 25-bis.1);
- Corporate crimes (Art. 25-ter);
- Crimes committed for purposes of terrorism or subversion of the democratic order envisaged by the Italian Criminal Code and by special laws (Art. 25-quater);
- Crimes of mutilating female genital organs (Art. 25-quater.1);
- Crimes against persons and individual freedom (Art. 25-quinquies);
- Market abuse crimes (Art. 25-sexies);
- Crimes of manslaughter and serious personal injury or grievous bodily harm, committed in violation of the occupational health and safety laws (Art. 25-septies);
- Receipt of stolen property, laundering and using money, goods or profits derived from illegal activities, and self-laundering (Art. 25-octies);

⁵ This family of offences, together with the offences of embezzlement, extortion, undue inducement to give or promise benefits, bribery, and abuse of office (art. 25) constitute so-called Crimes against the Public Administration.

- Crimes relating to non-cash means of payment (Art. 25-octies.1);
- Other offences relating to non-cash means of payment (Art. 25-octies.1(2));
- Crimes related to copyright infringement (Art. 25-novies);
- Inducement not to make statements or to make false statements to the judicial authorities (Art. 25-decies);
- Environmental crimes (Art. 25-undecies);
- Employment of third-country nationals staying in the country illegally (Art. 25-duodecies);
- Racism and xenophobia (Art. 25-terdecies);
- Fraud in sporting competitions, exercise of illegal gambling or betting operations, and games operated by means of prohibited gaming machines (Art. 25-quaterdecies);
- Tax crimes (Art. 25-quinquiesdecies);
- Smuggling (Art. 25-sexiesdecies);
- Crimes against cultural heritage (Art. 25-septiesdecies):
- Laundering of cultural assets and destruction and looting of cultural assets and landscapes (Art. 25-duodevicies);
- Transnational crimes (Law no.146/2006).

The entity's administrative liability arises exclusively in connection with the commission of one of the Offences under Decree 231 grouped according to the aforementioned families of offences. The attribution of liability to the entity arising from the commission of one or more of the Offences under Decree 231 does not exclude the personal liability of the person who engaged in the criminal conduct.

1.3 Offences committed abroad

With regard to the "scope" of the administrative liability of legal entities, in keeping with the provisions of the Italian Criminal Code, article 4 of Legislative Decree no. 231/2001 states that the entity may also be held liable in Italy in connection with the commission of offences abroad relevant for the purposes of the Decree, if:

- the entity has its head office in Italy, or rather the actual place where the administrative and management activities are carried out, which may even be different from the place where the business or registered office is located (entities with legal personality), or the place where the activity is carried out on an ongoing basis (entities without legal personality);
- the authorities of the State in which the offence was committed are not prosecuting;
- the request of the Minister of Justice, to which punishment may be subject, also refers to the entity itself.

These rules concern offences committed entirely abroad by Senior Management figures or their Subordinates. For criminal conduct that has taken place in Italy, even only in part, the principle of territoriality pursuant to Article 6 of the Italian Criminal Code applies, according to which *"the crime is considered to have been committed on Italian soil when the action or omission constituting it has taken place there, either in whole or in part, or when the event that is the consequence of the action or omission has occurred there."*

1.4 The Confindustria Guidelines

Art. 6(3) of Legislative Decree no. 231/2001 states that Organisation, Management, and Control Models may be adopted based on codes of conduct drawn up by the entities' representative associations.

The "Guidelines for the preparation of organisation, management and control models pursuant to Legislative Decree. 231/2001," even with regard to corporate groups, were issued by Confindustria and approved by the Ministry of Justice in December of 2003, in compliance with the aforementioned article, and were most recently updated in June of 2021.

Even if the Decree does not expressly give these guidelines binding or presumptive regulatory value, their correct and timely application is nevertheless a reference point for judicial decisions on the matter.

Among other things, the Engineering Organisation, Management and Control Model pursuant to Legislative Decree no. 231/2001 transposes the indications contained in the latest update of the Confindustria Guidelines with regard to the structure of the model, the methods for mapping the processes and activities at risk, and for assessing the risk of offences being committed at the potential and residual levels, and for analysing the Internal Control System.

2 ENGINEERING INGEGNERIA INFORMATICA S.P.A.

ENGINEERING - Ingegneria Informatica S.p.A. (hereinafter also referred to as “Engineering” or “the Company”), is a leading Italian Digital Transformation Company that’s continuously expanding worldwide, with about 15,000 employees and over 70 offices throughout Europe, the United States, and South America.

Consisting of more than 70 companies located in 14 different countries, the Engineering Group has been helping companies and organisations continuously evolve in terms of the way they operate for over 40 years. It is able to do this thanks to its in-depth knowledge of the business processes in every market segment, and by exploiting the opportunities offered by advanced digital technologies and proprietary solutions.

With an intense and constant focus on innovation, through its R&I division made up of over 450 researchers and data scientists (and a global innovation network of universities, start-ups and research centres), Engineering Group invests in international research and development projects, exploring revolutionary technologies and designing new business solutions.

Engineering Group has a diversified portfolio based on proprietary solutions, best-of-breed market solutions, and managed services, and continues to expand its expertise through M&A transactions, and partnerships with leading technology players. Its over 40-year presence in every market segment (including Finance, Healthcare, Utilities, Manufacturing, and many more) has allowed Engineering to gain a profound understanding of and even anticipate business needs, constantly exploring the evolution of the technologies, especially in the fields of Cloud Computing, Cybersecurity, Metaverse, AI & Advanced Analytics.

Engineering is a key player in the creation of digital ecosystems for connecting different markets, developing modular solutions for continuous business transformation.

The current organisational set-up consists of a matrix structure, which favours the oversight of the markets through dedicated Business Units, and guarantees effectiveness and excellence in terms of *delivery* and project execution thanks to the creation of horizontal technological control functions (*Competence Centres*).

The staff structures (the so-called *Support Functions*) guarantee the control, governance, and implementation of the process standards for all the Group companies, while at the same time guaranteeing the concerted implementation of strategic projects.

2.1 The Governance System: main aspects

Engineering has adopted a traditional type of governance system that provides for the following:

- a Shareholders’ Meeting;
- a body with administrative functions (Board of Directors)
- a body with control functions (Board of Statutory Auditors).

Through its resolutions, the Shareholders’ Meeting expresses the company’s wishes on matters falling within its competence.

The Board of Directors consists of 13 directors, including the Chairman, and is appointed by the Ordinary Shareholders’ Meeting. The Board of Directors has the power to grant (and revoke) proxies to Directors, determining their purpose, limitations, and manner of exercise. The aspects regarding the procedures for the appointment of the Directors, the requirements of reputability, the functioning of the board (convocation, resolutions, representation of the company), and the remuneration methods are governed by law and by the Company’s Articles of Association.

Specific committees are set up within the Board of Directors (Control, Risk and Sustainability Committee, Related Parties Committee, etc.), which have advisory, propositional, or investigative functions, based on specific regulations, which also lay out their respective rules of operation.

The Board of Directors establishes the guidelines for the Internal Control System, verifying its adequacy, effectiveness, and proper functioning, so that the main corporate risks are able to be correctly identified and properly managed over time.

The Board of Statutory Auditors oversees compliance with the law and the Articles of Association, respect for the principles of proper administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the Company and the actual functioning of the same.

The Board of Statutory Auditors is elected by the Shareholders' Meeting, and consists of 3 standing auditors, including the chairman, and 2 alternates.

The auditing of the accounts is entrusted to an auditing company specifically appointed by the Shareholders' Meeting.

2.2 The Internal Control and Risk Management System

The Company has adopted a structured and organic Internal Control and Risk Management System (hereinafter also referred to as the "ICRMS"), which has been integrated into the more general organisational and corporate governance structures, in order to promote informed decision-making and to help ensure the safeguarding of the corporate assets, the efficiency and effectiveness of the corporate processes, and compliance with the laws and regulations, the Articles of Association, and the internal procedures. In this regard, the Company undertakes to keep the ICRMS up to date and suitable for preventing and limiting the risk of unlawful conduct on the part of its Directors, Employees, and Third Parties.

The ICRMS is divided into three distinct types of activities:

- the "line control" or "first level control," which consists of the series of control activities that the Management and operational staff perform upon their processes in order to ensure the proper performance of the operations and to guarantee an adequate response to the relative risks;
- the "second level" control, entrusted to the company Management, aimed at ensuring the periodic verification of the effectiveness and efficiency of the design and the actual functionality of the controls, in order to: (i) ensure that they act according to the objectives assigned to them, (ii) verify that they are adequate with respect to any changes in the operational circumstances, (iii) seize upon and promote any possibilities for improvement;
- independent "third level" monitoring, entrusted to the Internal Audit department, aimed at verifying the structure and functionality of the ICRMS as a whole, and the adequacy and effective operation of the first and second level controls.

Engineering has also adopted other specific systems and models for managing and monitoring risks that fall within the broader context of the Internal Control and Risk Management System, and are able to improve its effectiveness, even with respect to the control objectives pursuant to Decree 231, such as:

- The *Management System* for guaranteeing the quality of the processes and services offered, worker health and safety, information security, and prevention of bribery, in order to ensure the maximum effectiveness and efficiency of the processes, activities, and resources for all the stakeholders, in accordance with the following international standards: ISO 9001:2015 for quality management, ISO 37001:2016 for prevention of bribery, ISO/IEC 27001:2022 for information security management, ISO/IEC 20000-1:2018 for IT service management, ISO45001:2018 for occupational health and

safety management, ISO 14001:2015 for the management of environmental aspects, ISO 14064-1:2018 for the quantification and reporting of greenhouse gas emissions and absorbers;

- The *Tax Control Framework (TCF)* as a strategic tool for the detection, measurement, management, and monitoring of the tax risk;
- The *Information Security System*, aimed at guaranteeing continuous indications of adequate levels of confidentiality, integrity, and availability of the data processed and the services provided, ensuring appropriate compliance with the relevant legal frameworks at both the national and international levels;
- The *Privacy Model*, adopted by the Company in compliance with the provisions of the European Data Protection Regulation (EU Regulation 2016/679, the "General Data Protection Regulation" – GDPR) and the Italian legislation set out in Legislative Decree no. 196/03 (the Privacy Code), which, in particular, defines the roles and responsibilities for the processing of personal data.

3 THE ENGINEERING GROUP CODE OF ETHICS

Engineering has adopted a Group Code of Ethics as an underlying component of its Internal Control and Risk Management System, in the belief that ethical business conduct represents a fundamental condition for business success.

In keeping with the values shared by all the Group Companies, the Engineering Group Code of Ethics lays out the rules of conduct that must be applied in the conduct of business activities and the management of corporate activities by all those who directly or indirectly establish collaborative relationships with the Group, or operate in its interests, for any reason, whether permanently or temporarily.

The Engineering Group Code of Ethics is therefore binding upon all the Directors, Managers, and Employees, the members of the Control Bodies, the members of the Supervisory Board, all external Collaborators with temporary or ongoing contracts, and all Partners, Suppliers and Customers.

The Engineering Group Code of Ethics is included as a control element within the context of the 231/01 compliance system.

Therefore, any violations of the provisions contained therein represent actual violations of the Model, with all the consequences arising therefrom in terms of applicability of disciplinary penalties.

4 THE ORGANISATION, MANAGEMENT AND CONTROL MODEL

4.1 Purposes and structure

This Model is an integral and essential part of the entire Engineering Ingegneria Informatica SpA organisational structure, and serves the following purposes:

- to prevent and reasonably mitigate the risks associated with the corporate activities, with particular regard to any unlawful conduct that may result in the Company being held liable and application of penalties against it;
- to ensure that all those who work in the name and on behalf of the Company in the areas of activity at risk are aware that any unlawful conduct could entail the application of criminal and administrative penalties, not only against themselves, but also against the Company;
- to reaffirm that the Company is committed to combating unlawful conduct of any kind or for any purpose, since, in addition to violating the existing laws, such conduct also goes against the ethical principles that the Company upholds;
- to raise awareness among the Company's Employees and Third Parties that their conduct in carrying out their activities must be compliant with the Model, in order to avoid the risk of predicate offences being committed.

The Engineering Organisation, Management and Control Model consists of the following sections:

- the **General Section**, which describes the general characteristics of the Model, the procedures for its adoption, updating, and application, and the Company and its governance system, and describes the contents and impacts of Legislative Decree no. 231/2001, the duties of the Supervisory Board, the Disciplinary System, and the training and information activities;
- the **Special Section**, which, with reference to each Sensitive Process, provides a detailed description of the Sensitive Activities, the families of offences applicable to them, the control standards, and the relevant behavioural indications;
- **Annexes**, which include:
 - Annex 1 – "Regulatory Technical Annex": a document listing all the offences envisaged by Decree 231;
 - Annex 2 – "Matrix of Families of Offences – Processes – Sensitive Activities": a summary scheme that allows each 231 Family of Offence to be correlated with the relevant exposed processes and Sensitive Activities. It is also drawn up in order to facilitate the Model's use and its application by the recipients.

4.2 Recipients of the Model

The Model's recipients are the following:

- those who perform management, administration, direction, or control functions for the Company, even on a de facto basis;
- the persons subject to the management or supervision of the former;
- the Company's employees, of any level and with any type of contractual relationship, even if seconded abroad for the performance of their activities;
- the collaborators and contractual counterparties in general;

- those who, although not belonging to the Company, operate in the interest of and on behalf of the same in any capacity (meaning – by way of example – suppliers, consultants, freelance professionals, self-employed or para-subordinate workers, business partners, or other subjects).

4.3 Guidance and coordination provided to Group Companies

The aspects relating to the administrative liability of legal entities within the context of corporate groups, and the relative potential extension of liability for the purposes of Decree 231 to the Parent Company or other companies belonging to the Group as a result of an offence committed by one of the Group companies, are not expressly addressed by Legislative Decree no. 231/2001. This has led to various interpretations.

In this regard, the legislation, the case law, and the trade association Guidelines have intervened over time, even in light of past events, which, in some cases, have involved “231” disputes at the corporate Group level, and the need to identify the legal basis for the so-called “upward liability” phenomenon.

Engineering encourages all of its Subsidiaries to adopt and effectively implement suitable systems for preventing the risk of administrative liability for legal entities resulting from potential offences. In particular it encourages each Subsidiary to adopt an organisational model in line with the provisions of the Engineering SpA Model, and, for the management of activities at risk for the purposes of the administrative liability of legal entities, to adopt principles and control measures consistent with the provisions of the latter, suitably adapted taking into account the applicable local legislation, as well as the specific operations and organisation of the legal entity itself. In exercising their autonomy, the individual Subsidiaries are responsible for adopting and implementing their own respective 231 Models.

This approach is in line with the Confindustria Guidelines, which propose the establishment of specific *Compliance Programmes* designed to effectively enable compliance with various regulations, and to adapt to the specific aspects of the local regulatory contexts in which the Group Companies operate, while at the same time respecting each Subsidiary’s decision-making autonomy.

In the areas of their respective competences, the representatives appointed by Engineering on the corporate bodies of the companies in which it has a participation promote the adoption of systems consistent with the measures adopted by the Eng Group companies aimed at preventing the risk of liability of legal entities.

4.4 Approval, implementation and updating of 231 Model

Engineering's 231 Model was adopted by the Engineering Board of Directors with a specific resolution, after hearing the opinion of the Supervisory Board, and after notifying the Risk Control and Sustainability Committee. It is a dynamic tool that affects the company’s operations, and must be verified and updated in the light of the findings encountered during its application. Therefore, with the aim of ensuring continuous improvement, Engineering’s 231 Model is updated following:

- any new developments and/or changes with regard to (i) the rules governing the liability of legal entities for administrative offences resulting from crimes, including new areas of application of Decree 231, (ii) the regulatory framework in the areas of interest and the principles expressed by other relevant legislation, (iii) case law and legislation on the subject matter;
- any significant changes to Engineering’s organisational structure or areas of activity;
- any considerations arising from the application of the 231 Model, including experiences from criminal litigation and instances of non-compliance with the Model itself;
- the results of supervisory activities and/or internal audits.

In addition to overseeing the functionality of and compliance with the Model, the Supervisory Board also ensures that it is updated, also with the support of the relevant internal structures, in particular the Internal Audit function.

“Formal amendments” to the 231 Model are subject to a simplified review procedure, and are approved by the Company’s CEO upon proposal by the Technical Secretariat or the Supervisory Board. “Formal amendments” include, for example, the correction of typos and material errors, the updating of external or internal regulatory references, including those relating to the naming of organisational structures. The Board of Directors is subsequently informed of the “formal amendments” made.

5 SUPERVISORY BOARD

Based on the provisions of Legislative Decree no. 231/2001 – art. 6(1a) and (1b) – the Company is exempt from the liability arising from the commission of Predicate Offences by qualified subjects pursuant to art. 5 of Legislative Decree no. 231/2001 if the governing body has, among other things:

- adopted and effectively implemented organisational, management and control models suitable for preventing the crimes in question before the offence is committed;
- entrusted the duties of supervising the functionality and observance of the Model and the updating of the same to a body of the legal entity vested with autonomous powers of initiative and control.

The assignment of these duties to a body vested with autonomous powers of initiative and control, together with the correct and effective performance of the same, are therefore essential prerequisites for exemption from liability pursuant to Legislative Decree no. 231/2001.

Given the absence of specific indications in Legislative Decree no. 231/2001 concerning the composition of the Supervisory Board, the relevant **requirements** were determined by the case law, the legislation, and the Confindustria Guidelines, and are identified as follows:

- **Professionalism:** the set of skills that the Supervisory Board must have in order to effectively carry out its activities, consisting of specific knowledge in fields of law, economics, and risk analysis and assessment techniques;
- **Autonomy and Independence:** freedom of initiative and the absence of any form of interference or conditioning from inside or outside the entity, even with regard to the availability of the resources necessary for the effective and efficient performance of the task;
- **Reputability:** the absence of any circumstances that could undermine or condition the integrity of the Supervisory Board's members, thereby compromising its independence and reliability;
- **Continuity of action:** the constant and continuous monitoring and verification of the Model's implementation in order to ensure its actual effectiveness.

5.1 Composition, appointment, and revocation

The Company's Supervisory Board is a collegial body appointed by the Company's Board of Directors, and is made up of external and internal members, with a composition in line with the relevant best practices. All the Members meet the requirements of the Decree and the Model.

The SB is established by resolution of the Board of Directors. The Supervisory Board's term of office coincides with that of the Board of Directors that appointed it, which expires on the date of the Shareholders' Meeting called to approve the financial statements for the last financial year of the Board of Directors that appointed it, although it shall continue to perform its functions until the new members of the Supervisory Board are appointed. External members may be re-elected for up to three consecutive terms.

Appointment as a member of the SB is conditioned by the requirements of reputability, independence, and professionalism, as well as the absence of any causes for incompatibility with the position.

The members of the SB are selected from among persons having the professional expertise necessary to perform the relevant functions, both in the legal field (in particular in the fields of crime prevention pursuant to Legislative Decree no. 231/2001 and in criminal law), and in that of corporate management and organisation.

The following constitute causes for ineligibility or disqualification of the Supervisory Board's members:

- criminal conviction or acceptance of a plea agreement pursuant to Article 444 et seq. of the Italian Code of Criminal Procedure, even at first instance, for any one of the offences laid out in Legislative Decree no. 231/2001, or any offence whose particular severity calls the subject's moral and professional reliability into question;
- criminal conviction, even at first instance, with a penalty that includes disqualification from holding public office, or disqualification from holding executive offices for corporations and businesses, even temporarily;
- the legal condition of being prohibited, disqualified, or bankrupt;
- the application of prevention measures pursuant to Italian Law no. 1423 of 27 December 1956, as amended, and anti-Mafia measures pursuant to Italian Law no. 575 of 31 May 1965, as amended;
- the exercise or potential exercise of business activities in competition or in conflict of interest with those carried out by the Company;
- indictment.

The members of the Supervisory Board must declare, under their own responsibility, that they do not meet any of the conditions for ineligibility, and do not have any conflicts of interest, with regard to the functions/tasks of the Supervisory Board, undertaking to immediately notify the Chairman of the Board of Directors and the CEO in the event that any of the aforementioned situations should arise, and without prejudice to the absolute and mandatory obligation to recuse oneself in such cases.

Termination from office shall be determined by resignation, forfeiture, dismissal, or permanent impediment, and, in the case of members appointed by reason of the position they hold within the company, by their loss of that position.

The members of the SB may relinquish their positions at any time by notifying the Board of Directors in writing and specifying the relative reasons.

The revocation of the appointment of the Supervisory Board's members may be resolved by the Board of Directors, for just cause, after hearing the non-binding opinion of the Board of Statutory Auditors.

In this regard, by way of example and without limitations, "just cause" for the revocation of the powers associated with a position on the SB can be understood as:

- the loss of the subjective requirements of reputability, independence, and professionalism possessed at the time of appointment;
- the onset of grounds for disqualification;
- gross negligence in the execution of the duties associated with the position;
- "omitted or insufficient supervision" by the SB – in accordance with art. 6(1.d) of Legislative Decree no. 231/2001 – resulting from a conviction, even at first instance, issued against the Company pursuant to Legislative Decree no. 231/2001, or a plea agreement;
- the assignment of functions and operational responsibilities within the organisation that are incompatible with the SB's requirements of "autonomy and independence" and "continuity of action";
- the violation of the prohibition to disclose information acquired during the performance of one's duties.

In addition to the hypothesis of disqualification, the following also constitute grounds for replacement and consequent integration of the Supervisory Board's membership:

- the resignation or termination of an internal member of the Supervisory Board from the corporate function or office held;
- the death of a member of the Supervisory Board, or their resignation for personal reasons;

- revocation for just cause.

If any reasons for the replacement, ineligibility and/or disqualification of members of the Supervisory Board, even constituting a majority, should arise, this does not automatically entail the disqualification of the entire body. However, this does not preclude: (i) the obligation to replace them as soon as possible, and (ii) if the aforementioned reasons for replacement, ineligibility and/or disqualification should concern all the members of the Supervisory Board, the members who were the last to provide notice of the cause for replacement, ineligibility and/or disqualification shall remain in office, until the new members meeting the necessary requirements are appointed.

5.2 Duties

The SB is vested with autonomous powers of initiative and control, which must be exercised in order to effectively and promptly perform the functions required by the Model. These powers extend to all sectors and functions of the Company, and are aimed at ensuring effective and efficient supervision of the functioning, observance and updating of the Model, in accordance with the provisions of Article 6 of Legislative Decree no. 231/2001. The verification and control activities carried out by the SB are strictly intended to ensure the Model's effective implementation.

In particular, in order to carry out its functions, the SB is entrusted with the following duties and powers:

- to regulate its own functioning, which is formally documented within the context of a specific Regulation;
- to verify the adequacy of the Model itself, both with respect to the prevention of the crimes referred to by Legislative Decree no. 231/2001, and the ability to determine when any illegal conduct has taken place;
- to verify the Model's efficiency and effectiveness, even in terms of the appropriateness of the operating methods effectively adopted and the procedures formally envisaged by the Model itself;
- to oversee, carry out, and promote the constant updating of the Model, formulating indications for any updates and adjustments deemed necessary;
- to promptly report in writing any verified violations of the Model that could give rise to liability for the Company to the Chairman of the Board of Directors and the Board of Statutory Auditors, so that appropriate action can be taken;
- to verify and assess, together with the Head of the Group HR&O function, the suitability of the disciplinary system pursuant to and for the purposes of Legislative Decree no. 231/2001;
- to promote the application of any disciplinary measures, without prejudice to the Senior Management's responsibility for imposing the sanctions and carrying out the relevant disciplinary proceedings;
- to maintain relations and ensure the relevant information flows with the Board of Directors, the CEO, the Board of Statutory Auditors, and the Control, Risk and Sustainability Committee;
- to promote initiatives for disseminating knowledge and understanding of the Model through the relevant company departments, as well as for staff training purposes and to raise awareness of the need to comply with the principles contained within the Model;

- to do whatever is deemed appropriate to also disseminate knowledge of the Company's Model among any external Parties that may come into contact with the Company (external Collaborators, Suppliers and Partners).

In carrying out these activities, the Supervisory Board shall, among other things, perform the following tasks:

- approval of the Supervisory Programme, in accordance with the principles and contents of the 231 Model, and in coordination with the audit plan established by the Internal Audit Department;
- coordination of the implementation of the Supervisory Programme and the scheduled and unscheduled control interventions;
- performance of any targeted checks on specific procedures/processes, transactions, or documents within the context of the corporate activities identified as potentially at risk of offences being committed, even with the support of the Internal Audit Department and any other relevant corporate functions.

In carrying out its tasks, the Supervisory Board has unrestricted access to all corporate information, with the power to independently request information from all the Company's management figures and employees, as well as from external collaborators and consultants; if necessary, the Board may seek the assistance of the Company's Departments or external consultants, under its own direct supervision and responsibility. In this regard, the Board is granted the power to enter into, amend and/or terminate (even through the competent corporate functions) professional assignments with Third Parties having the specific skills necessary to best carry out the assignment, in compliance with the corporate procedures. Paper and/or computer copies of all material relating to the activity performed must be retained by the SB's Technical Secretariat for a minimum period of 10 years.

The SB does not have any management powers, decision-making powers relating to the performance of the Company's activities, organisational powers, powers to make changes to the Company's structure, nor any power to impose penalties or disciplinary measures. The members of the SB, as well as the subjects of which it avails itself, in whatever capacity, are required to maintain the confidentiality of all the documents, including the contents thereof, and any other information of which they may come to have knowledge while performing their functions.

For the purposes of its own functioning, the Supervisory Board has all the financial resources made available by the Board of Directors at its disposal, and may allocate them for purposes consistent with the performance of its functions. To this end, the Company allocates an initial annual budget of an adequate amount to the Supervisory Board.

The SB may only exceed the limits on the use of these resources in the event of critical situations requiring an immediate action. In such cases, a reasoned resolution of the SB shall be required, and the Board of Directors must also be notified.

5.3 Functioning

The Chairman of the SB convenes the meetings of the SB, verifies that they are regularly constituted, regulates their proceedings, and ascertains the results of the votes.

The SB meets whenever deemed appropriate by the Chairman of the SB, or if jointly requested by the other members.

The meetings are held at the company's registered offices, or at any other place that may be deemed useful by the Board from time to time. The meetings may also be held with the participants located in more than one place, either contiguous or distant, by means of audio/video conference or other means of remote communication, with the methods being noted in the minutes. The meeting is deemed to be held in the place where the Chairman of the SB and Secretary are located.

Members of the SB who are unable to attend the meetings are required to notify the Chairman of the SB.

A meeting of the Supervisory Board is deemed valid when a majority of its members are present and it is chaired by the Chairman, with the assistance of the Technical Secretariat. Should the Chairman be absent or unable to attend, his/her relative functions shall be performed by the most senior member.

Each meeting is minuted, and the relative minutes, after being shared and approved by the SB itself, are retained by the Technical Secretariat, together with all the documentation produced or collected by the Board. Access to the aforementioned documentation by Third Parties must be authorised by the Board in advance, and must take place in accordance with the procedures established by the same.

Should any conflicts of interest arise in relation to the functions and duties of the Supervisory Board, without prejudice to the absolute obligation to recuse oneself in such cases, the members must immediately notify the Chairman of the Board of Directors and the CEO.

5.4 Reporting to the Supervisory Board

In order to be able to carry out its supervisory activities with regard to the Model's effectiveness, and assess its adequacy, the Supervisory Board must be informed, by the persons required to comply with the 231 Model, of any events that could give result in liability for the Company pursuant to Decree 231, even by way of their knowledge of corporate documents and information of specific interest.

Information concerning the following must be transmitted to the Supervisory Board as soon as possible:

- requests for information or receipt of orders, reports, or letters from the Supervisory Authorities, and any other documentation resulting from inspection activities carried out by the same, falling within the scope of Decree 231 and concerning Engineering Ingegneria Informatica SpA;
- information concerning disciplinary proceedings carried out and any sanctions imposed for non-compliance with the 231 Model;
- reports of fatal accidents and serious injuries suffered by Employees, contractors and/or collaborators present within the Company's work areas.

In addition, ad hoc information flows to the Supervisory Board are periodically activated, even based on specific internal regulations, the main ones of which are outlined below:

- on an annual basis, the Internal Audit function submits the proposed supervisory plan, the audit reports, and periodic reports on the results of the supervisory activities carried out on the Sensitive Activities and the control measures of the 231 Model;
- in its capacity as coordinator of the Reporting Committee, the Internal Audit function provides the Supervisory Board with information on any 231-related reports received, as well as the investigations conducted and the relative outcomes;
- the head of the bribery prevention management systems periodically reports to the Supervisory Board on the activities carried out and their outcomes;
- among other things, the legal function reports to the Supervisory Board on (i) measures and/or information received from judicial police bodies regarding Engineering SpA or its senior management, from which it can be inferred that investigations are being carried out for the offences referred to in Decree 231, even concerning unknown persons; (ii) measures and/or information received from the Judicial Authorities within the context of the proceedings referred to under the previous point; and (iii) communications to the Judicial Authorities concerning any potential or actual offences referred to in Decree 231;
- the head of the Health and Safety function periodically reports to the Supervisory Board with regard to the occupational health and safety data and indicators collected, on at least a half-yearly basis;

- the Human Resources function periodically reports to the Supervisory Board on the disciplinary actions taken as a result of investigative activities carried out, as well as any further disciplinary penalties imposed on Engineering SpA staff for unlawful conduct relevant for the purposes of Model 231;

Please refer to the “231 Information Flows” procedure for further details on the information flows, including those listed above.

Moreover, since the figures who report directly to the CEO are assigned the role of “231 Information Flows Manager” by the company, these figures send the Supervisory Board information concerning:

- the identification of any potential anomalies with regard to the Model’s application;
- the commission of predicate offences and engagement in any conduct that is not consistent with the rules of conduct laid out in the Model.

The Supervisory Board may nevertheless also request any information deemed appropriate from the heads of the competent corporate functions and organise meetings with them, in order to ensure that it is informed on issues relevant to the performance of its activities.

All communications sent to the Company’s Supervisory Board must be in writing, and can be sent to the e-mail address 231@eng.it, made available by the Board.

The above e-mail account is only accessible to the Members of the Supervisory Board and the Technical Secretariat, or rather staff of the Internal Audit function, and can not be accessed by any Third Parties.

External Collaborators, Suppliers, and Partners communicate any potential anomalies in the application of the Model directly to the Supervisory Board using the same methods.

When it encounters a violation of the Model, the Supervisory Board:

- promotes, among the competent functions, the commencement of disciplinary proceedings against the Employee allegedly responsible;
- notifies the Board of Directors and the Board of Statutory Auditors in the event of a violation committed by one or more members of the aforementioned corporate bodies;
- asks the competent structures to invoke the contractual clauses for the termination of relations with any external Collaborators, Suppliers, and/or Partners to whom the violation is deemed attributable, if the relevant conditions are met.

5.5 The Supervisory Board’s Reporting to the Corporate Bodies

In order to guarantee full autonomy and independence in the performance of the relevant functions, the Supervisory Board communicates directly with the Company’s Board of Directors on matters concerning the implementation of the 231 Model:

- via a half-yearly report on the activities carried out during the previous six months concerning the implementation of the 231 Model, and on any new legislative developments that may have arisen during the period regarding the administrative liability of legal entities, with prior notice to the Risk and Sustainability Control Committee and the Board of Statutory Auditors;
- on an event-by-event basis, whenever any events of a particularly material nature or significance are ascertained that require immediate attention, with prior notice to the CEO and the Chairman.

Dedicated meetings are also organised with the Risk and Sustainability Control Committee and the Board of Statutory Auditors, even to discuss issues of common interest.

5.6 Coordination between the SB and the Subsidiaries' Supervisory Boards

When adopting their Organisational, Management and Control Models, the Subsidiaries appoint a Supervisory Board, whose composition (e.g. monocratic, collegiate, etc.) and functioning is determined based on qualitative and quantitative elements, such as the size and organisational structure of the Subsidiary itself.

The SB establishes terms and procedures for the exchange of relevant information with the Subsidiaries' supervisory boards in order to acquire elements useful for the implementation of their respective internal control systems, based on mutual experience, and without prejudice to each board's autonomy in exercising its supervisory activities or the obligation of confidentiality with regard to the control activities carried out.

5.7 Whistleblowing

The Recipients of this Model must promptly notify the Supervisory Board, via a specific reporting system, of any conduct, actions, or events which could result in the violation or circumvention of the Model – or of the relative procedures – and of any potentially relevant information relating to Engineering's activities, to the extent that they could expose the Company to the risk of offences or crimes being committed that could result in liability for the Company pursuant to Legislative Decree no. 231/2001.

The obligation to report any conduct that is not consistent with the provisions of the law and those contained within the Model fall under the broader duties of diligence and loyalty to the employer, as per articles 2104 and 2105 of the Italian Civil Code. The reporting obligation generally applies to all personnel and third parties who collaborate with the Company, who come into possession of any information regarding the commission or suspected commission of the offences referred to in Legislative Decree no. 231/2001, or any behaviour that is not consistent with the principles and requirements laid out in this Model, or with the other rules of conduct adopted by the Company.

In accordance with the provisions of Legislative Decree no. 24 of 10 March 2023⁶, which, among other things, amended art. 6 of Decree 231, the Company has established the appropriate dedicated internal reporting channels to allow the persons specifically identified by art. 3 of Legislative Decree no. 24/2023 to submit reports concerning any violations of European Union law or national regulatory provisions of which they may become aware within the context of their own work activities, including reports of "231" violations (i.e. unlawful conduct relevant for the purposes of Legislative Decree no. 231/2001 and/or violations of the Model in general).

The procedures for the receipt and handling of reports are governed by the specific corporate reporting policy. The results of the investigations conducted by the Internal Audit function into the reported cases are submitted to the Reporting Committee, and those falling within its competence are submitted to the Supervisory Board. Should the Supervisory Board deem it appropriate to further investigate the reports falling within its competence, it may request that further investigations be carried out.

In particular, whistleblowers can report any violations or instances of non-compliance with the Code of Ethics, the internal regulations, or the law of which they may become aware, such as violations pursuant to Legislative Decree no. 24/2023, including those relevant under Legislative Decree 231/2001 and violations of the Model adopted by the Company, through the following:

⁶ Legislative Decree no. no. 24 of 10 March 2023 "Implementation of 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 EU law and on the protection of persons who report breaches of national laws", published in the Official Journal no. 63 of 15 March 2023, for which the provisions of Legislative Decree no. 24/2023 took effect as of 15 July 2023 (with the exception of entities in the private sector that had employed an average of up to 249 employees with open-ended or fixed-term employment contracts within the last year, for which the provisions took effect as of 17 December 2023).

- the computer platform made available to all Whistleblowers (Employees, Collaborators in various capacities, Third Parties, etc.) at the website <https://eng.integrityline.com>, even with the possibility of submitting a verbal report;
- by e-mail, at the following address: segnalazioni@eng.it;
- by ordinary mail, by writing to Engineering Ingegneria Informatica S.p.A., Engineering Reporting Committee, to the attention of the Internal Audit Department, Piazzale dell'Agricoltura, 24 – 00144 Rome, Italy.

These tools guarantee the protections required by Legislative Decree no. 24/2023, including the security and protection of any personal data indicated in the report, and the confidentiality of the whistleblower's identity, the information, and the report analysis and management processes, in accordance with the provisions of the relevant legislation. Also in accordance with the provisions of Legislative Decree no. 24/2023, a direct meeting can be requested with the persons responsible for managing the report (including the SB).

Moreover, in line with the provisions of Legislative Decree no. 231/01, reports can also be sent directly to the Supervisory Board at the e-mail address 231@eng.it, which, in compliance with its prerogatives, and using appropriate computer security measures, ensures that they will be forwarded to the Internal Audit function in order to proceed with the appropriate analysis and investigation procedures, where deemed appropriate.

Engineering ensures the confidentiality of the report received, as well as the identities of the whistleblower, of any natural persons assisting the whistleblower in the reporting process, of the persons involved (both natural and legal), and of any persons mentioned in the report. It also guarantees the anonymity of whistleblowers who do not wish to reveal their identity.

Engineering also prohibits and penalises any form of retaliation or discrimination against anyone who has submitted a report (as well as anyone who has cooperated in ascertaining the facts reported), regardless of whether or not the report turns out to be substantiated.

The whistleblower reports and the relative personal data processing activities are managed by Engineering in compliance with the applicable legal provisions, and in accordance with the " Whistleblowing Procedure Privacy Policy" published on the website.

For further details on whistleblower reports, how they are handled, and the relative guarantees and protections put in place for the whistleblower, the person(s) involved, and the person(s) reported, please refer to the procedure entitled "Management of whistleblower reports, even submitted anonymously."

6 METHODOLOGICAL APPROACH AND CONTROL PRINCIPLES

The Model's main objective is to establish a structured and organic system of processes, procedures, and control activities aimed at preventing, to the extent possible, any conduct that could constitute a crime pursuant to Legislative Decree no. 231/2001.

With particular regard to the control activities, the Company has established the following for each process/activity at risk:

- **General Control Standards**, which are applicable regardless of the process and/or activity at risk, namely:
 - **Segregation of duties:** In order to guarantee independence and objectivity within the context of its sensitive processes, Engineering ensures intervention by multiple individuals, and the segregation of duties among those tasked with making decisions/authorising activities, executing the established operations, and carrying out the appropriate controls on the same as required by law and the procedures. This safeguard generally serves to mitigate any managerial discretion concerning the activities and individual processes;
 - **Regulations:** Engineering has adopted internal regulations for the performance of sensitive activities, which establish the responsibilities, the operating procedures, and the controls. This principle serves to ensure that all conduct is consistent with the guidelines and the management principles laid out by the Company;
 - **Roles and Responsibilities:** Engineering has a system of internal organisational provisions and powers of attorney and proxies consistent with the organisational and management responsibilities assigned to the persons who are entitled to enter into commitments with Third Parties on the Company's behalf, specifically indicating the powers, limits, and exceptions, even with regard to the approval of expenses. This system establishes and delineates the powers of the persons acting on the Company's behalf, and allows corporate actions of external or internal relevance to be traced back to the natural persons who took them, thus making it useful for subsequently identifying the persons responsible for taking actions through which an offence was committed, whether directly or indirectly;
 - **Traceability:** The main phases and activities of each decision-making and authorisation process for the performance of each sensitive activity must be able to be reconstructed and verified after the fact. More specifically, adequate evidence must be kept and filed in documentary or computerised form for each operation and activity associated with each sensitive process.
If computer systems are used in the performance of Sensitive Activities, such systems must ensure:
 - access to the system exclusively to authorised persons;
 - the proper assignment of the operations to the persons responsible for them;
 - the traceability of the operations performed throughout all stages;
 - the filing and retention of the records produced.
- **Specific Control Standards**, which contain special provisions aimed at regulating the particular aspects of the Sensitive Activities. These standards are specifically detailed in the Special Section of this Model for the Sensitive Activities that they are intended to safeguard;
- **Behavioural indications**, which lay out the requirements and/or prohibitions to be followed in order to prevent the commission of 231 offences within the context of the Sensitive Activities.

6.1 Mapping of risk areas and controls

Art. 6(2.a) of Legislative Decree 231/2001 states that the Model must provide for a mechanism aimed at “identifying the activities within the context of which offences may be committed.”

The identification of the areas in which there is a risk of offences being committed requires a detailed assessment of all the company processes, in order to verify whether the types of offences envisaged by Legislative Decree 231/2001 are abstractly possible, and whether the controls in place are suitable for preventing them. This analysis gives rise to a mapping of the activities within the context of which the offences expressly referred to in the Decree (Sensitive Activities) could potentially be committed, as well as the relative controls.

This mapping is a fundamental prerequisite for the Model, as it determines the scope of all its constituent elements’ effectiveness and operability, and is therefore periodically evaluated and constantly updated, even at the prompting of the Supervisory Board, and is also reviewed whenever any substantial changes are made to the Company’s organisational structure (e.g. establishment/change of company departments, launch/change of activities), whenever any major legislative changes take place (e.g. introduction of new types of 231 offences), and whenever any offences covered by Legislative Decree 231/2001 or, more generally, significant violations of the Model are committed.

The updating of the Mapping must ensure the achievement of the following objectives:

- Identify the company Departments affected by the Sensitive Activities, in consideration of the tasks and responsibilities assigned;
- specify the possible types of offences;
- specify the concrete ways in which the offence could potentially be committed;
- identify the control elements put in place to safeguard the risks/offences identified.

More specifically, in accordance with the provisions of the Confindustria Guidelines, the methodology adopted for the construction of this Model involved the following main phases:

- holding of in-depth meetings with the persons who play key roles in the company processes/activities;
- identification of the Sensitive Activities and assessment of the risk level;
- assessment of the adequacy of the company controls put in place to monitor the Sensitive Activities with respect to the defined control standards (General and Specific) that must be met in order to prevent the commission of 231 Offences;
- evaluation of the residual risk level and determination of the actions to be taken in order to adapt the controls to the established standards.

6.2 Organisational responsibilities and powers

As indicated by the Confindustria Guidelines, the Company’s organisation must be formally documented in a clear and sufficient manner with regard to the allocation of responsibilities, hierarchical reporting lines, and description of tasks, with specific provisions for control principles, such as the contradistinction of functions.

With regard to the authorisation system, the Confindustria Guidelines require that the powers of authorisation and signature be assigned in accordance with the organisational and management

responsibilities established, also providing precise indications of the approval thresholds for expenditures where required, especially in areas considered at risk of offences, as established by the proxies and powers of attorney granted.

At Engineering, the system of proxies of powers is regulated by a specific corporate procedure, which establishes the methods of this system's implementation. According to the criteria set out at the procedural level, the powers granted serve for the performance of legal acts in the name of and in the interest of the Company, in accordance with the mandate/organisational role assigned. They are also exercised in accordance with the assigned responsibilities, and in compliance with the Code of Ethics, the 231 Model, and every other applicable regulatory tool.

The powers are granted through proxies and/or powers of attorney, and are always:

- assigned and updated based on the organisational role, and the nature and specifics of the activities carried out;
- assigned in compliance with the organisational hierarchy (the superiors hold all the powers of their subordinates along the hierarchical line);
- limited based on the typical parameters of the activities of competence, so as to ensure adequate distribution along the hierarchical line.

6.3 Management of financial resources

Article 6(2.c) of Legislative Decree no. 231/2001 states that Organisational, Management and Control Models must indicate methods for managing financial resources that are suitable for preventing the commission of offences.

To this end, the Confindustria Guidelines recommend adopting mechanisms to allow the stages of the decision-making process to be documented and verified, in order to prevent the improper management of the Company's financial resources.

In particular, Engineering has based its control system relating to the administrative processes and, in particular, the process of managing financial resources, on the principles of segregation of duties throughout the key phases of the process, on the formal documentation of the relevant roles, and on the traceability of the actions and authorisation levels to be associated with the operations.

Engineering has adopted financial resource management procedures based on the following principles:

- segregation of the functions of requesting, approving, and controlling payments;
- appropriate authorisation levels for the approval of payments;
- traceability of financial flows, meaning the possibility of reconstructing the precise decision-making and formal pathways of the financial flows after the fact;
- payment ascribability, or rather the possibility of precisely identifying the reason justifying the payment flow;
- recording of the financial flows in the documentation in order to be able to trace the payment type, the relative amount, and the reason;
- performance of checks with regard to the payments' consistency with the supporting documentation, and the actual provision of the service corresponding to the payment.

7 DISSEMINATION OF THE MODEL AND TRAINING

7.1 Information

In accordance with the provisions of Legislative Decree no. 231/2001 and the Confindustria Guidelines, Engineering promotes the adequate dissemination of the Model, in order to ensure that all the Recipients have a full knowledge of the same.

During the process of deliberating on the adoption of the Model 231 (and its updates), each member of the corporate body is made aware of and adheres to the principles contained therein.

Engineering also ensures that the contents of the Model are communicated to all the Employees at the time of its approval, to new Employees at the time of their hire, and to Third Parties (such as external Collaborators, Suppliers, Partners, etc.) at the time the relative contract is entered into. In this regard, the commitment to comply with the law and the principles of the 231 Model on the part of third parties who enter into contractual relationships with the Company is ensured through a specific clause contained in the relevant contracts, which also provide for specific contractual remedies (such as the right to terminate and/or the right to suspend the performance of the contract and/or penalty clauses) in the event of non-compliance.

In particular, Engineering requires that the relative communication be made through appropriate communication channels, which can be easily accessed by both the Employees and Third Parties, such as the corporate intranet and the dedicated section of the Company's website.

7.2 Training

In order to ensure the effective implementation of the Model and the dissemination of the principles of conduct contained therein and the control measures that Engineering has adopted for the prevention of the offences referred to in Legislative Decree no. 231/2001, it is necessary to provide an adequate training programme. In particular, this training must be:

- appropriate for the recipients, adapting the contents based on the classification levels and positions held by the individuals within the organisation (Senior Management, Subordinates, new employees, etc.);
- periodic (held at least once a year) and consistent with the frequency of the updates to the Model following any regulatory changes pursuant to Legislative Decree no. 231/2001, organisational changes, or changes to the governance structure and ICRMS;
- compulsory, with appropriate control mechanisms put in place to verify each individual participant's attendance and assimilation of the material covered.

Engineering provides training modules, activities, and projects on 231 topics for all of its Employees, ensuring:

- targeted training for individuals holding more involved corporate positions with greater levels of responsibility, specifically designed to update and improve their knowledge on matters related to Legislative Decree no. 231/2001, to emphasise the importance of strict compliance with the principles and rules contained in the Group's Code of Ethics and the Organisation, Management, and Control Model, and to highlight the types of offences to which the Company is particularly exposed, calling attention to any new predicate offences introduced by the Lawmaker;

- widespread training intended for a broader corporate audience, provided in a more or less standardised manner, with the aim of bringing them up to date on the contents of the Organisation and Management Model pursuant to Legislative Decree no. 231/2001;
- training for new hires regarding the contents of Legislative Decree no. 231/2001.

The training provided is monitored by the competent corporate structures in order to ensure the staff's participation and the traceability of the training records. In accordance with the indications provided by the Supervisory Board, these structures also assess any training needs resulting from updating requirements due to changes in the Model and/or any other relevant aspects associated with the legislative framework, and provide the Supervisory Board with information on the training provided.

8 DISCIPLINARY SYSTEM

Pursuant to articles 6(2.e) and 7(4.b) of Legislative Decree no. 231/2001, in order to be considered effectively implemented, the Organisation, Management, and Control Model must provide for a suitable Disciplinary System for violations of the provisions indicated therein.

In compliance with the current legal provisions and the rules of the national collective labour agreements, Engineering has adopted a Disciplinary System for failure to comply with the principles, measures, and rules of conduct set out in the Model itself, and in the procedures relating thereto. The principles upon which the Company has based its system, are the following:

- **Specificity and autonomy:** the purpose of the Disciplinary System is to penalise every violation of the Model, regardless of whether or not it results in the commission of an offence. The System is therefore autonomous with respect to other possible disciplinary measures, since the Company is called upon to penalise any violation of the Model, regardless of whether or not criminal charges are brought, and regardless of the consequent judicial outcome;
- **Compatibility:** the procedure for ascertaining and applying the penalty must be consistent with the law and with the contractual rules applicable to the relationship established with the Company;
- **Suitability:** the system must be efficient and effective at preventing the risk of unlawful conduct from being committed, with particular regard to conduct relevant for the purposes of the offences covered by Legislative Decree no. 231/2001;
- **Proportionality:** the penalty must be proportionate to the violation encountered. Proportionality must be assessed based on two criteria: (i) the seriousness of the violation; and (ii) the type of employment relationship in place with the employee (subordinate, managerial, etc.), taking the specific legislative and contractual framework into account;
- **Drafting in writing and appropriate dissemination:** the Disciplinary System must be formally documented and disseminated to all the Recipients through the provision of appropriate information and training sessions.

In addition to ensuring the effectiveness of the Model itself, the establishment of disciplinary penalties commensurate with the violation thereof is also intended to ensure the effectiveness of the Supervisory Board's control activities. In particular, with the support of the competent company Departments, the latter is responsible for monitoring the functioning and effectiveness of the Disciplinary System.

Depending on the type of employment contract and/or assignment involved, the determination and performance of the disciplinary procedure are entrusted to the Corporate Bodies and/or the competent Company Departments by virtue of the powers and responsibilities conferred upon them by the applicable legislation, the Articles of Association, and the Company's internal regulations.

The disciplinary system is autonomous with respect to the conduct and outcomes of any proceedings brought before the competent judicial authorities in cases where the violation constitutes a relevant offence pursuant to Decree 231.

This is without prejudice to the Company's right to seek compensation for any damages and/or liability which it may incur as a result of conduct in violation of the Model on the part of its Employees and other recipients who are bound by non-employment type contracts (including members of the Corporate Bodies and Third Parties in general), who shall nevertheless be subject to disciplinary measures and procedures consistent with the law and the relevant contractual conditions.

In accordance with art. 6(2-bis.d) of the Decree, Engineering's Disciplinary System also penalises the violation of the measures put in place to protect Whistleblowers, as well as the submission of false Whistleblower reports, with wilful misconduct or gross negligence, that are proven to be unsubstantiated.

8.1 The recipients, their duties, and relevant conduct

All the Recipients of this Model are required to conduct themselves in accordance with the principles and rules of conduct enshrined herein.

Any action or omission in violation of the aforementioned principles and rules, even together with other individuals, constitutes conduct relevant for the application of the penalties laid out in this Disciplinary System.

In particular, by way of example, the following constitute disciplinary offences:

- non-compliance with or violation of the rules of conduct laid out in the Model;
- failure to comply with the relevant corporate regulatory tools, in which the control standards set out in the special section of the 231 Model are incorporated, during the performance of Sensitive Activities;
- failure to comply with the obligations to inform the Supervisory Board established by the 231 Model;
- failure to report violations of the Model of which one has become aware to the Supervisory Board;
- any form of retaliation, to be understood as behaviour, actions or omissions, even if only attempted or threatened, carried out in response to a Whistleblower's report, a report submitted to the judicial or accounting authorities, or a public disclosure on Whistleblowing grounds, which directly or indirectly causes or could cause unjust damage to the Whistleblower and/or the other persons specifically indicated by Legislative Decree no. 24/2023;
- engagement in actions or conduct that obstruct or are intended to obstruct the submission of a report;
- violation of the confidentiality obligation with regard to the identity of the Whistleblower, the persons involved or otherwise mentioned in the report, or the content of the report and of the relevant documentation;
- the submission of false Whistleblower reports with malice or gross negligence that turn out to be unsubstantiated.

Any ascertained conduct that is not consistent with the principles and rules of conduct enshrined in the Model represents:

- for Employees (including Executives), a breach of contract with regard to the obligations arising from the employment relationship pursuant to articles 2104 and 2106 of the Italian Civil Code;
- for Directors, members of the Board of Statutory Auditors, and members of the Supervisory Board, a failure to uphold the duties incumbent upon them by law and/or the Articles of Association;
- for Third Parties, a breach of contract such as to legitimise, in the most serious cases, the legal termination of the contract pursuant to art. 1456 of the Italian Civil Code, without prejudice to the possibility to seek compensation for any damages suffered.

The procedure for the imposition of penalties therefore takes into account the details associated with the qualification of the person against whom the proceedings are brought.

8.2 General principles regarding the penalties

The principle upon which the application of the penalties is based is that of proportionality to the objective severity of the violations committed. The determination of the severity of the violation committed, which is assessed for the purpose of determining the applicable penalty, is based on the evaluation of the following:

- the intentionality of the conduct resulting in the non-compliance or violation of the Model, or the degree of negligence;
- the type of violation committed, whether by action or omission;
- the negligence, imprudence, or inexperience demonstrated by the perpetrator in committing the infraction or non-compliance, especially with regard to the actual possibility of foreseeing and/or preventing the event;
- the relevance, severity, and possible consequences of the infraction or non-compliance with the Model (measurable in relation to the risk level to which the Company is exposed);
- the position held by the person within the Company, especially in consideration of his/her level of hierarchical and/or technical responsibility;
- any aggravating and/or extenuating circumstances, such as the commission of multiple violations with the same conduct and/or recidivism on the part of the perpetrator;
- the complicity on the part of multiple Recipients in the commission of the violation;
- the subsequent conduct of the perpetrator (e.g. whether they collaborated, even for the purpose of eliminating or mitigating the potential consequences of the offence for the Company, whether they admitted liability, etc.);
- all other circumstances characterising the offence (e.g. methods, timing, etc.).

If a single act results in the commission of multiple offences punished with different penalties, the more severe penalty shall be applied.

The disciplinary action must be taken in a prompt and timely manner, regardless of the outcome of any criminal proceedings.

8.3 Measures to be taken against employees

Without prejudice to the criteria presented for determining the severity of the non-compliance or infraction, compliance with the provisions and rules of conduct laid out in the Model constitutes the Subordinates' fulfilment of the obligations laid out under art. 2104(2) of the Italian Civil Code, and the violation of the measures indicated constitutes a breach of contract subject to disciplinary action pursuant to art. 7 of the Workers' Statute (Law no. 300 of 20 May 1970), entailing the application of the penalties envisaged by the disciplinary rules of the applicable National Collective Labour Agreement (NCLA), depending on the severity of the infractions:

- verbal warning;
- written warning;
- fine amounting to no more than three hours' pay, calculated based on the tabular minimum;
- suspension from work without pay for up to a maximum of three days;
- termination for breach of duty pursuant to art. 10 of the applicable NCLA⁷.

⁷ Art. 10 of the National Collective Labour Agreement (NCLA) for the metalworking sector provides for:

A) Termination with notice

This measure is applied to any employee who commits a breach of work discipline and diligence which, although more serious than those contemplated under art. 9, do not rise to a level of severity such as to warrant the application of the penalty established under point B).

By way of example, the offences referred to above include:

- insubordination;
- negligent damage to plant equipment or work material;

Therefore, any violation of the individual provisions and the rules of conduct referred to in the Model by the Employees always constitutes a punishable offence. The penalties envisaged under the disciplinary system will be applied following the disciplinary procedure pursuant to Art. 7 of the Workers' Statute.

The disciplinary procedure, the imposition of the penalty, and the execution, dispute, and appeal of the same are governed in accordance with the provisions of the Workers' Statute and the National Collective Labour Agreement.

Following each report received concerning a violation of the Model, a disciplinary investigation is initiated if the report is determined to be substantiated: if it is determined that a violation of the Model is likely to have occurred, the consequent disciplinary procedure is initiated.

The SB is promptly notified of the commencement and conclusion of the disciplinary proceedings (regardless of whether a penalty is imposed or the case is dismissed).

8.4 Measures to be taken against managerial staff

If the Company's Managerial Staff are responsible for violations of the rules and requirements contained in the Group's Code of Ethics or the Organisation, Management and Control Model, or have violated the specific obligation to supervise their subordinates, the Managers in question will be subjected to the most appropriate measures, in accordance with the provisions of the law and the National Collective Labour Agreement for Industrial Managers, in compliance with the criterion of proportionality set out under art. 2106 of the Italian Civil Code.

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- conduct of work activities of a minor nature without using company material, on the company's premises, without permission, on one's own account or for third parties;
 - fighting within the plant, outside the processing departments;
 - abandonment of the workplace by personnel specifically entrusted with supervisory, custodial, or control tasks, outside the cases indicated under point e) of letter B) below;
 - unjustified prolonged absences exceeding 4 consecutive days, or repeated absences occurring three times within one year on the day following holidays or holiday leave;
 - conviction to a prison sentence, imposed on the employee by a final judgement, for an offence unrelated the performance of the employment relationship, which is damaging to the moral character of the employee;
 - recidivism in any of the offences referred to under art. 9, when two suspension measures referred to under art. 9 have been imposed, subject to the provisions of the last paragraph of art. 8.

B) Termination without notice

This measure is applied to any employee who causes serious moral or material damage to the company, or who carries out actions in connection with the performance of their employment relationship that constitute an offence under the law. By way of example, the offences referred to above include:

- serious insubordination;
- theft within the company;
- theft of sketches or drawings of machinery, tools, or other items, or company documents;
- wilful damage to company equipment or work material;
- abandonment of the workplace, where this could compromise the safety of persons or equipment, or the performance of actions having the same deleterious effect;
- smoking, where this could compromise the safety of persons or equipment;
- conduct of work activities of a non-minor nature and/or using company material, on the company's premises, without permission, on one's own account or for third parties;
- fighting within the processing departments.

8.5 Measures to be taken against Directors, Auditors, and Members of the Supervisory Board

The Company rigorously evaluates any alleged violations of the Model by those who hold senior management positions within the Company and who are recognized as the Company's representatives by its employees, shareholders, customers, and stakeholders in general.

The Chairman of the SB, provided that he/she is not the subject of the dispute, or, in this case, the most senior member of the SB, shall immediately notify the Chairman of the Board of Directors, the CEO, the Chairman of the Board of Statutory Auditors, and the Risk and Sustainability Control Committee, without delay, of any situations concerning alleged violations of the Model by one or more Directors and/or members of the Board of Statutory Auditors and/or members of the SB, of which he/she has come to have knowledge during the performance of his/her duties, and which have not been deemed to be unsubstantiated, so that the matter can be referred to the Board of Directors and, if verified, the most appropriate measures can be taken, also taking the severity of the relative violation into account, and in accordance with the powers/responsibilities assigned by the law and/or the Articles of Association and/or this Model.

If the Chairman of the Board of Directors or the Chairman of the Board of Statutory Auditors him/herself is the subject of the dispute, the SB shall refer the matter to the Board of Directors.

The SB shall monitor the situation to ensure that the bodies concerned in the case in question (Chairman of the Board of Directors, or Chairman of the Board of Statutory Auditors or Board of Directors) are properly informed of the violation in question and take the appropriate measures.

For the Statutory Auditors and/or the members of the Supervisory Board, the Board of Directors shall take appropriate action to ensure that the most suitable measures permitted by law are adopted.

8.6 Measures to be taken against Third Parties

For Third Parties, non-compliance with Legislative Decree no. 231/2001 and the principles and rules of ethics/conduct envisaged by the Model shall be considered a breach of contract, and shall be penalised in accordance with the provisions of the specific clauses included in the individual contracts stipulated with the Company, even entailing the rightful termination of the contract itself pursuant to art. 1456 of the Italian Civil Code in the most serious cases.